

SOLICITATION, OFFER AND AWARD			1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)		RATING	PAGE OF PAGES 1 128	
2. CONTRACT NO.		3. SOLICITATION NO. N00024-10-R-5114	4. TYPE OF SOLICITATION [] SEALED BID (IFB) [X] NEGOTIATED (RFP)	5. DATE ISSUED	6. REQUISITION/PURCHASE NO. N0002409NR41196		
7. ISSUED BY NAVAL SEA SYSTEMS COMMAND BLDG. 197/5/W2235/SEA 02511E 1333 ISAAC HULL AVE., S.E. WASHINGTON DC 20376			CODE N00024	8. ADDRESS OFFER TO (If other than Item 7)		CODE	
			See Item 7		TEL:	TEL:	
					FAX:	FAX:	

NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder".

SOLICITATION

9. Sealed offers in original and _____ copies for furnishing the supplies or services in the Schedule will be received at the place specified in Item 8, or if handcarried, in the depository located in _____ until _____ local time _____ (Hour) (Date)

CAUTION - LATE Submissions, Modifications, and Withdrawals: See Section L, Provision No. 52.214-7 or 52.215-1. All offers are subject to all terms and conditions contained in this solicitation.

10. FOR INFORMATION CALL:	A. NAME JOHN M. JEFFREY II	B. TELEPHONE (Include area code) (NO COLLECT CALLS) 202-781-2720	C. E-MAIL ADDRESS john.jeffrey@navy.mil
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OFFER (Must be fully completed by offeror)

NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16, Minimum Bid Acceptance Period.

12. In compliance with the above, the undersigned agrees, if this offer is accepted within _____ calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

13. DISCOUNT FOR PROMPT PAYMENT (See Section I, Clause No. 52.232-8)			
14. ACKNOWLEDGMENT OF AMENDMENTS (The offeror acknowledges receipt of amendments to the SOLICITATION for offerors and related documents numbered and dated):		AMENDMENT NO.	DATE

15A. NAME AND ADDRESS OF OFFEROR	CODE	FACILITY	16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or print)		
15B. TELEPHONE NO (Include area code)	<input type="checkbox"/>	15C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE.	17. SIGNATURE	18. OFFER DATE	

AWARD (To be completed by Government)

19. ACCEPTED AS TO ITEMS NUMBERED	20. AMOUNT	21. ACCOUNTING AND APPROPRIATION			
22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: <input type="checkbox"/> 10 U.S.C. 2304(c)() <input type="checkbox"/> 41 U.S.C. 253(c)()		23. SUBMIT INVOICES TO ADDRESS SHOWN IN		ITEM	
		(4 copies unless otherwise specified)			
24. ADMINISTERED BY (If other than Item 7)	CODE	25. PAYMENT WILL BE MADE BY		CODE	
26. NAME OF CONTRACTING OFFICER (Type or print)	TEL:	EMAIL:	27. UNITED STATES OF AMERICA	28. AWARD DATE	
			(Signature of Contracting Officer)		

IMPORTANT - Award will be made on this Form, or on Standard Form 26, or by other authorized official written notice.

Section B - Supplies or Services and Prices

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	Guided Missile Dir DDG 113	3	Each		
	FFP				
	Guided Missile Director Mark 82 Mod 0 with Director Control Mark 200, Mod 0 DDG 113 FOB: Origin PURCHASE REQUEST NUMBER: N0002409NR41196				

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0002	Interim Repair Parts DDG 113	1	Set		
	FFP				
	Interim Repair Parts DDG 113 FOB: Origin PURCHASE REQUEST NUMBER: N0002409NR41196				

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0003	PTC Site Support	720	Man Hours		
	FFP				
	PTC Site Support				
	DDG 113				
	FOB: Destination				
	PURCHASE REQUEST NUMBER: N0002409NR41196				

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0004			Man Hours		
OPTION	Production Readiness Review				
	Production Rediness Review (PRR)				
	Qualification (OPTION)				
	NOTE B				
	FOB: Destination				
	PURCHASE REQUEST NUMBER: N0002409NR41196				
	CPFF				

ESTIMATED COST
 FIXED FEE
 TOTAL EST COST + FEE

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0005	Spare Parts, INCO	1	Lot		

FFP

Spare Parts, Installation & Checkout (INCO)
 & PTC Firm Quantity
 FOB: Origin
 PURCHASE REQUEST NUMBER: N0002409NR41196

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0006		1,000	Man Hours		

Tech Engr Support
 Technical Engineering Support
 Services for DDG 113
 FOB: Destination
 PURCHASE REQUEST NUMBER: N0002409NR41196
 CPFF

ESTIMATED COST
 FIXED FEE
 TOTAL EST COST + FEE

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0007	Data				
	FFP				
	Data for Items 0001 thru 0006 (See DD Form Exhibit A attached hereto) NSP - (Price included in price of Item 0001 thru 0006 and if Options(s) are exercised Items 1001 thru 1003; 1010 & 1011 NOTE A FOB: Destination PURCHASE REQUEST NUMBER: N0002409NR41196				

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0008	PIO				
	FFP				
	Provisioned Item Orders (PIO)		SEE SECTION C		
	FOB: Destination PURCHASE REQUEST NUMBER: N0002409NR41196				

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0009	PTD FFP Provisioning Technical Documentation (PTD) for 0001 thru 0003, 0005 and (if Options(s) are exercised) Items 1001-1003 (See DD Form 1423, Exhibit B attached hereto) NSP - (Price included in price of Items 0001 thru 0003, 0005 and if Option(s) are exercised Items 1001-1003 FOB: Destination PURCHASE REQUEST NUMBER: N0002409NR41196				

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
1001	Guided Missile Director FFP				
OPTION	Guided Missile Director Mark 82 Mod 0 with Director Controller Mark 200, Mod 0 DDG 114 & DDG 115 FY 11 NOTE B FOB: Origin PURCHASE REQUEST NUMBER: N0002409NR41196				

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
1001AA	DDG 114	3	Each		

FFP

OPTION
 Guided Missile Director
 Mark 82 Mod 0 with Director
 Controller Mark 200, Mod 0
 DDG 114
 FY 11
 NOTE B
 FOB: Origin
 PURCHASE REQUEST NUMBER: N0002409NR41196

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
1001AB	DDG 115	3	Each		

FFP

OPTION
 Guided Missile Director
 Mark 82 Mod 0 with Director
 Controller Mark 200, Mod 0
 DDG 115
 FY 11
 NOTE B
 FOB: Origin
 PURCHASE REQUEST NUMBER: N0002409NR41196

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
1002	Interim Repair Parts				

FFP

OPTION	Interim Repair Parts				
	FY 11				
	NOTE B				
	FOB: Origin				
	PURCHASE REQUEST NUMBER: N0002409NR41196				

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
1002AA	Interim Repair Parts	1	Lot		

FFP

OPTION	Interim Repair Parts				
	DDG 114				
	FY 11				
	NOTE B				
	FOB: Origin				
	PURCHASE REQUEST NUMBER: N0002409NR41196				

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
1002AB	Interim Repair Parts	1	Lot		

FFP

OPTION Interim Repair Parts
 DDG 115
 FY 11
 NOTE B
 FOB: Origin
 PURCHASE REQUEST NUMBER: N0002409NR41196

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
1003	PTC SITE SUPPORT		Lot		

FFP

OPTION PTC SITE SUPPORT
 FY 11
 NOTE B
 FOB: Destination
 PURCHASE REQUEST NUMBER: N0002409NR41196

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
1003AA	PTC Site Supt DDG 114	720	Man Hours		
	FFP				

OPTION PTC Site Support
 DDG 114
 FY 11
 NOTE B
 FOB: Destination
 PURCHASE REQUEST NUMBER: N0002409NR41196

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
1003AB	PTC SITE SUPT DDG 115	720	Man Hours		
	FFP				

OPTION PTC Site Support
 DDG 115
 FY 11
 NOTE B
 FOB: Destination
 PURCHASE REQUEST NUMBER: N0002409NR41196

NET AMT

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
1010		1,000	Man Hours		
OPTION	Technical Engineering Sup Svcs Technical Engineering Support Services for DDG 114 FY 11 NOTE B FOB: Destination PURCHASE REQUEST NUMBER: N0002409NR41196 CPFF				
				ESTIMATED COST	
				FIXED FEE	
				TOTAL EST COST + FEE	

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
1011		1,000			
OPTION	Technical Engr Svc Technical Engineering Support Services for DDG 115 FY 11 NOTE B FOB: Destination PURCHASE REQUEST NUMBER: N0002409NR41196 CPFF				
				ESTIMATED COST	
				FIXED FEE	
				TOTAL EST COST + FEE	

CLAUSES INCORPORATED BY FULL TEXT

NOTE A - Offeror shall complete the "Price Group" and "Estimated Total Price" blocks of each data item on the Contract Data Requirements List(s), attached hereto. Offeror should note that Item 0007 is unpriced and incorporate the price of the CDRLs in the Item where the work on each CDRL is done.

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

NOTE C – Clauses in this solicitation that refer to “mandays” apply to these items. Eight man hours equal one manday.

NOTE – Technical Data Package (TDP) available upon request.

CONTRACT SUMMARY FOR PAYMENT OFFICE (COST/FIXED PRICE) (FEB 1997)

This contract includes the following mixture of cost reimbursement and fixed price line items:

<u>Item</u>	<u>Type</u>
0001	FFP
0002	FFP
0003	FFP
0004	FFP
0005	FFP
0006	CPFF
0007	NSP
0008	NSP
0009	NSP
1001	Info
1001AA	FFP
1001AB	FFP
1002	Info
1002AA	FFP
1002AB	FFP
1003	Info
1003AA	FFP
1003AB	FFP
1010	CPFF
1011	CPFF

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/LIMITATION OF FUNDS (NAVSEA) (SEP 1990)

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) (COMPLETION) (NAVSEA) (MAY 1993)

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

(b) The Government shall make payments to the Contractor, subject to and in accordance with the clause in this contract entitled "FIXED FEE" (FAR 52.216-8) or "INCENTIVE FEE", (FAR 52.216-10), as applicable. Such payments shall be equal to _____ percent (_____) of the allowable cost of each invoice submitted by and payable to the Contractor pursuant to the clause of this contract entitled "ALLOWABLE COST AND PAYMENT" (FAR 52.216-7), subject to the withholding terms and conditions of the "FIXED FEE" or "INCENTIVE FEE" clause, as applicable (percentage of fee is based on fee dollars divided by estimated cost dollars, including facilities capital cost of money). Total fee(s) paid to the Contractor shall not exceed the fee amount(s) set forth in this contract.

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

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

Offerors are to propose a fee percentage as part of their proposal.

PAYMENTS OF FEE(S) (LEVEL OF EFFORT) (NAVSEA) (MAY 1993)

(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 _____ percent (_____%) of the allowable cost of each invoice submitted by and payable to the Contractor pursuant to the clause of this contract entitled "ALLOWABLE COST AND PAYMENT" (FAR 52.216-7), subject to the withholding terms and conditions of the "FIXED FEE" or "INCENTIVE FEE" clause.

(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.

Offerors are to propose a fee percentage as part of their proposal.

PROVISIONING TECHNICAL DOCUMENTATION – WITHHOLDING OF PAYMENT (NAVSEA) (SEP 1990)

(a) For the purpose of paragraph (c) of the "PROGRESS PAYMENTS" clause of this contract, if included, the requirement that the Contractor develop and deliver Provisioning Technical Documentation (PTD) is considered to be a "material requirement of this contract," and Contractor failure to make adequate progress in the development of PTD, or to deliver acceptable PTD on a timely basis, may result in reduction or suspension of Progress Payments as provided in said paragraph.

(b) The PTD is considered to be a part of the "Technical Data" specified to be delivered under this contract for the purposes of the "TECHNICAL DATA--WITHHOLDING OF PAYMENT" (DFARS 252.227-7030) clause. The terms and conditions of the clause entitled "LIMITATION ON WITHHOLDING OF PAYMENTS (FAR 52.232-9), if included in this contract, shall not apply to withholding of payment for failure to make timely delivery of the PTD or delivery of deficient PTD.

REFUNDS (SPARES AND SUPPORT EQUIPMENT) (NAVSEA) (SEP 1990)

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

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

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

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

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

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

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

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

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

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

TRAVEL COSTS - ALTERNATE I (NAVSEA) (DEC 2005)

(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.

Section C - Descriptions and Specifications

SECTION C

DESCRIPTION/SPECIFICATION/WORK STATEMENT

PART 1 - CONTRACT LINE ITEM DESCRIPTION

The supplies and services to be furnished hereunder shall be manufactured or performed in accordance with the following descriptions and specifications, including Attachment A, "Production Deliverables and Management Support Responsibilities of the Contractor".

ITEMS 0001 and (if Option(s) are exercised) ITEM 1001 - Guided Missile Director Mark 82 Mod 0 with Director Controller Mark 200, Mod 0

The Contractor shall provide the Gun and Guided Missile Director, MK 82 MOD 0 and the Director Controller, MK 200 MOD 0 in accordance with NAVSEA drawings listed below. These systems will be built, tested, and delivered as described under sections 2.1.1, 2.1.2, 3.0, and 4.0 (pages A-3 thru A-6). Additionally, the following attachments apply: A1, A2, A3, A4, A5, A8, B, C, D, E, G, H, I

The following CDRLs apply: A001, A002, A003, A004, A005, A008, A009, A012, A014, A019, A022, A023, A025, A026, A027.

<u>QTY PER SHIPSET</u>	<u>DESCRIPTION</u>	<u>DRAWING # *</u>
3 Each	Gun and Guided Missile Director, MK 82 MOD 0	5204574-6
3 Each	Director Controller, MK 200 MOD 0	5204575-5

* SEE ATTACHMENT A, PARAGRAPH 2.1.3 FOR SPECIFIC APPLICABILITY.

ITEM 0002 and (if Option(s) are exercised) ITEM 1002 – Interim Repair Parts – The Contractor shall provide one (1) set of Interim Repair Parts per ship in accordance with Attachment A7, attached hereto. Section 2.0 (Page A-2) applies. Additionally, the following attachments apply: A1, A2, A6, A7, A8, B. The following CDRLs apply: A001, A002, A019, A020.

ITEM 0003 and (if Option(s) are exercised) ITEM 1003- PTC Site Support

The Contractor shall provide ninety (90) mandays of engineering and technical assistance for each shipset during installation, operations, maintenance and integration of Contractor supplied equipment into the AEGIS Weapon System (AWS) at the Production Test Center (PTC) at Lockheed Martin Maritime Systems and Sensors (MS2) and/or designated shipyards and training sites. All services shall be performed within the continental limits of the United States, excluding Alaska.

The Government may require less than the total amount of mandays set forth in Section B. In event that the Government does not designate times and places sufficient for the full performance of said total amount of mandays within the period provided; those mandays not furnished shall be deemed to be terminated for the convenience of the Government at no cost to the Government. Such termination and any funding adjustment occasioned thereby shall be evidenced by a written document signed by the Contracting Officer and mailed or other furnished to the Contractor.

Invoices submitted for PTC Site Support shall contain the name of the engineer(s), date and place of performance, contract service authority identification and a brief description of services performed. The invoice shall be accompanied by the original certification by a responsible U.S. Government Official at the activity where the services were performed. Under those lines, the Contractor will be paid only for the total mandays expended and

at the proposed manday rates. The following attachments apply: A1, A2, A3, A5. The following CDRLs apply: A002, A003, A004, A005, A008, A012, A014.

ITEM 0004 – (Option if exercised) Production Readiness Review (PRR)

Production Readiness Reviews will be conducted to assure that the production & quality requirement for the Aegis Program are maintained. The Government reserves the right to accomplish a Production Readiness Reviews (PRR) of the Prime Contractor and to request PRRs of major sub-contractors. Additionally the Government reserves the right to have its personnel or designated representatives participate with the Contractor's personnel in conducting PRRs or in reviewing milestone events established in the Contractor's qualification plan. The Government Lead will convene a PRR of the prime contractor. The Prime Contractor will convene PRRs of major subcontractors, as applicable.

The objective of the PRRs is to verify that the planning and associated preparations for a production system have progressed to the point where a production commitment can be made without incurring unacceptable risks of breaching thresholds of cost, schedule, performance, or other established criteria.

The reviews will examine risks; will determine if production or production preparations incur unacceptable risks that might breach thresholds of cost, schedule, performance and other established criteria. The reviews will assess the manufacturing and quality risk as the program proceeds into Low-Rate Initial Production and Full-Rate Production.

The reviews evaluate the full, final end-item production/process configured system to determine if it correctly and completely implements all system requirements. The review determines whether the traceability of final system requirements to the final production system is maintained.

A successful review is predicated on the Team's determination that the system requirements are fully met in the final production configuration, and that production capability demonstrates a satisfactory basis for proceeding into Low-Rate Initial Production and/or Full-Rate Production. Accordingly, sections 2.1.1 and 2.1.2 are applicable. The following attachments also apply: A1, A2, A3, A4, A5, A6. The following CDRLs apply: A002, A003, A004, A005, A007, A008.

ITEM 0005 - Spare Parts, Installation & Checkout (INCO) & PTC

The Contractor shall procure material, fabricate, assembly, checkout and test parts listed in Attachment A9. Accordingly, section 2.0 (Page A-2) applies. The following attachments apply: A1, A2, A3, A6, A9, G, I. The following CDRLs apply: A001, A005.

ITEM 0006 and (if Option(s) is exercised) ITEMS 1010 and 1011 – Technical Engineering Support Services

The Contractor shall provide Technical Engineering Support Services for the MK 82 MOD 0 Director and MK 200 MOD 0 Director Control for the following tasks:

Task 1 – The Contractor shall provide equipment and system engineering/technical support, including engineering investigation and studies for MK 82 MOD 0 Director and MK 200 MOD 0 Director Controller at the shipyards and on-board operating ships during sea trials for resolution of problems arising during installation, test and operations of the Director Group MK 81 Mod 0. Only covers production under this contract. The following attachments also apply: A1, A2, A3, A4, A5, A6, A8, and H. The following CDRLs apply: A002, A003, A006, A007, A008, A009, A010, A011, A011, A013, A014, A015, A016, A017, A018, A019, A020, A021, A022, A023, A024, A025, A026, and A027.

Task 2 – The Contractor shall provide manufacturing engineering services, subject to ongoing improvement

projects/programs for the purpose of enhancing the productivity, testability and unit productions costs of resulting improvements. Work shall include review of drawings, participation in the design process, active participation in design reviews, advising designers about downstream manufacturing process implications of design decisions being made, advising designers in component selection (e.g. Auto Insertability) and support to manufacturing-oriented trade-offs (such as castings vs. machined parts). The following attachments also apply: A1, A2, A3, A4, A5, A6, A8, and H. The following CDRLs apply: A002, A003, A006, A007, A008, A009, A010, A011, A011, A013, A014, A015, A016, A017, A018, A019, A020, A021, A022, A023, A024, A025, A026, and A027.

Task 3 – Total Quality Process Engineering – The Contractor shall provide a wide range of engineering and management services in support of specific process improvements efforts, subject to IPR Technical Instructions. Examples of such process improvement projects could include streamlining of the ECP process (inclusive of Government and Contractor communities), development of improved vendor relationships (e. g. Zero-defect, ship-to-stores), improved methods to track and report field experience or improvements to spare/repair process. Section 2.0 (Page A-1) applies. The following attachments also apply: A1, A2, A3, A4, A5, A6, A8, and H. The following CDRLs apply: A002, A003, A006, A007, A008, A009, A010, A011, A012, A013, A014, A015, A016, A017, A018, A019, A020, A021, A022, A023, A024, A025, A026, and A027.

ITEM 0007 - Data for ITEMS 0001 thru 0006 and (if Option(s) are exercised) ITEMS 1001-1011

The Data to be furnished hereunder shall be prepared in accordance with the DD Form 1423, Exhibit A and B attached hereto. The following CDRLs apply: ALL.

SPECIFICATIONS

The issue of specifications and standards as it applies to the production and assembly of components of the Mk82/200 Director/Director Controller identified in the Technical Data Package and Drawings shall be the latest revision in effect on the date of production. This includes the current paint requirement, MIL-STD-1303; Primer, TT-P-645; and Coating System, MIL-PRF-24635 shall be used as the coating system for meeting existing local and federal environmental requirements.

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ITEM(S) 0008 - PROVISIONED ITEMS ORDERS (NAVSEA) (APR 1999)

- (a) General. The Contractor agrees that it will furnish the supplies or services ordered by the Government in accordance with the procedures specified herein. Orders will be placed by the Contracting Officer, Provisioning Activity or Administrative Contracting Officer as unilateral or bilateral modifications to this contract on SF 30, Amendment of Solicitation/Modification of Contract. Any amounts shown in Section B at time of award of the initial contract for each provisioned line item are estimated amounts only and are subject to upward or downward adjustment by the issuing activity. If no amounts are shown, funding will be obligated before or at time of order issuance. It is understood and agreed that the Government has no obligation under this contract to issue any orders hereunder.
- (b) Priced Orders. For each proposed order, the Contractor agrees that it will submit such cost or pricing data as the Contracting Officer may require. Promptly thereafter, the Contractor and the Contracting Officer shall negotiate the price and delivery schedule for the proposed order. Upon execution and receipt of the priced order, the Contractor shall promptly commence the work specified in the order.
- (c) Undefined Orders. Whenever the Contracting Officer determines that urgent demands or requirements prevent the issuance of a priced order, he/she may issue an unpriced order. Such order may be unilateral or bilateral and shall establish a limitation of Government liability, a maximum ceiling amount, and a schedule for

definitization, as described in subparagraph (e)(2) below. Upon request the Contractor shall submit a maximum ceiling amount proposal before the undefinitized order is issued. The maximum ceiling amount is the maximum price at which the order may be definitized. The Contractor shall begin performing the undefinitized order upon receipt, except as provided in paragraph (d) below. The clause entitled "CONTRACT DEFINITIZATION" (DFARS 252.217-7027) shall be included in any undefinitized order.

(d) Rejection of Unilateral Orders. The Contractor may reject any unilateral order if the Contractor determines that it cannot feasibly perform the order, or if the Contractor does not concur with the maximum ceiling amount. However, each unilateral order shall be deemed to have been accepted by the Contractor unless within fifteen days of issuance of the order, the Contractor notifies the Contracting Officer in writing of its rejection of the order.

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

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

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

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

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

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

(2) Except for undefinitized orders for Foreign Military Sales; purchases of less than \$25,000; special access programs; and Congressionally-mandated long-lead procurements; and except as otherwise provided in subparagraph (f)(3) below, the limitation of Government liability shall not exceed fifty percent (50%) of the ceiling

amount of an undefinitized order. In the case of orders within these excepted categories, however, the procedures set forth herein shall be followed to the maximum extent practical.

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

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

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

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

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

ITEM(S) 0009 - PROVISIONING TECHNICAL DOCUMENTATION (NAVSEA) (FEB 1994)

The Provisioning Technical Documentation (PTD) shall be in accordance with the Provisioning Requirements Statement (PRS), including NAVSEA Addendum for PTD Requirements dated January 1993, the Provisioning Performance Schedule and the Contract Data Requirements List, DD Form 1423, Exhibit B, attached hereto.

PART 2 - GENERAL REQUIREMENTS

RIGHT OF ACCESS

The Government reserves the right of access on a not-to-interfere basis to all facilities in which storage of raw materials, purchased parts, either finished or unfinished, and GFE may be established. Right of access shall include all areas in which design, manufacture, processing, alignment, assembly and testing of equipment or components which will be included in the Director Group, MK 82 MOD 0 may be performed. Right of Access shall be interpreted to include, also, access to records and documentation concerning the Director Group, MK 82 MOD 0 including specifications, purchase orders and subcontracts, receivers, inspection and test records for such purchase parts, inspection and test records. Right of access shall include access to vendors, subcontractors and suppliers as may be deemed necessary by the Government. Right of Access to documentation shall be on a not-to-interfere basis insofar as accurate and valid records shall be available.

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ASSIGNMENT AND USE OF NATIONAL STOCK NUMBERS (NAVSEA) (MAY 1993)

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

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

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

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

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

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

(e) Delivery by the Contractor to the Government of certain technical data and other data is now frequently required in digital form rather than as hard copy. Such delivery may cause confusion between data rights and computer software rights. It is agreed that, to the extent that any such data is computer software by virtue of its delivery in digital form, the Government will be licensed to use that digital-form with exactly the same rights and limitations as if the data had been delivered as hard copy.

(f) Any limited rights legends or other allowed legends placed by a Contractor on technical data or other data delivered in digital form shall be digitally included on the same media as the digital-form 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.

CONTRACTOR'S PROPOSAL (NAVSEA) (MAR 2001)

(a) Performance of this contract by the Contractor shall be conducted and performed in accordance with detailed obligations to which the Contractor committed itself in Proposal _____ dated _____ in response to NAVSEA Solicitation No. N00024-_____.

(b) The technical volume(s) of the Contractor's proposal is incorporated by reference and hereby made subject to the provisions of the "ORDER OF PRECEDENCE" (FAR 52.215-8) clause of this contract. Under the "ORDER OF PRECEDENCE" clause, the technical volume of the Contractor's proposal referenced herein is hereby designated as item (f) of the clause, following "the specification" in the order of precedence.

INFORMATION AND DATA FURNISHED BY THE GOVERNMENT - ALTERNATE II (NAVSEA) (SEP 2009)

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

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

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

(b) Except for the specifications referred to in subparagraphs (a)(1) and (2) above, the Government will not be obligated to provide to the Contractor any specification, drawing, technical documentation or other publication which is not listed or specifically referenced in NAVSEA Form 4340/2 or Schedule C, as applicable, notwithstanding anything to the contrary in the specifications, the publications listed or specifically referenced in NAVSEA Form 4340/2 or Schedule C, as applicable, the clause entitled "GOVERNMENT PROPERTY" (FAR 52.245-1) or "GOVERNMENT PROPERTY INSTALLATION OPERATION SERVICES " (FAR 52.245-2), as applicable, or any other term or condition of this contract.

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

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

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

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

(2) If any action taken by the Contracting Officer pursuant to subparagraph (c)(1) immediately above causes an increase or decrease in the costs of, or the time required for, performance of any part of the work under this contract, the contractor may be entitled to an equitable adjustment in the contract amount and delivery schedule in accordance with the procedures provided for in the "CHANGES" clause of this contract.

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

The following items are subject to the clause of this contract entitled "LIMITATION OF LIABILITY--HIGH VALUE ITEMS" (FAR 52.246-24): 0001, 0002, 0005 and (if options are exercised) 1001 and 1002.

ORGANIZATIONAL CONFLICT OF INTEREST (MODIFIED) (NAVSEA) (FEB 2006)

(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) To the best of its knowledge and belief, the Contractor has identified and made known to the Government all known Organizational Conflicts of Interest at the time of contract definitization. The Contractor represents that it will act in good faith and take reasonable steps to identify and make known in writing to the Contracting Officer, Organizational Conflicts of Interest (hereinafter referred to as "OCI") as that term is used in FAR Subpart 9.5 that may arise prior to definitization and during the performance of the definitized contract. Full disclosure, including a description of the OCI, shall be made in writing to the Contracting Officer within fourteen (14) days. The Contracting Officer will provide the Contractor its determination within thirty (30) days and shall request a specific mitigation plan or a request for a waiver of the OCI (in accordance with FAR 9.503). Should the Contracting Officer identify an OCI that has not been previously identified, the Contracting Officer shall request, and the Contractor shall provide for Contracting Officer approval, a specific mitigation plan, if required. The Contracting Officer's decision as to the existence or nonexistence of an OCI, approval of a mitigation plan or waiver of a particular OCI under this contract shall be final.

(c) The Contractor acknowledges that this contract is subject to the provisions of FAR 9.5, and further, the Contractor acknowledges that the OCI provisions in FAR 9.5, if applicable, may affect, if not properly mitigated, the right of the Contractor to participate in future procurement of equipment and/or services that are the subject of work under this contract.

(d) The Contractor agrees to abide by the provisions of FAR 9.505-4 and will implement appropriate procedures for the proper handling and protection of Proprietary and/or Competition Sensitive information.

(e) The Contractor shall notify the Contracting Officer, in writing, when it becomes known that the Contractor has been tasked to evaluate or advise the Government concerning its own products, services, or activities or those of a competitor developed under this contract so that appropriate measures can be taken to mitigate any potential for an OCI.

(f) 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.

(g) Compliance with the provisions of this clause is a material requirement of this contract.

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

SPECIFICATIONS AND STANDARDS (NAVSEA) (AUG 1994)

(a) Definitions.

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

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

(b) Requirements.

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

UPDATING SPECIFICATIONS AND STANDARDS (NAVSEA) (AUG 1994)

If, during the performance of this or any other contract, the contractor believes that any contract contains outdated or different versions of any specifications or standards, the contractor may request that all of its contracts be updated to include the current version of the applicable specification or standard. Updating shall not affect the form, fit or function of any deliverable item or increase the cost/price of the item to the Government. The contractor should submit update requests to the Procuring Contracting Officer with copies to the Administrative Contracting Officer and cognizant program office representative for approval. The contractor shall perform the contract in accordance with the existing specifications and standards until notified of approval/disapproval by the Procuring Contracting Officer. Any approved alternate specifications or standards will be incorporated into the contract.

USE OF NAVY SUPPORT CONTRACTORS FOR OFFICIAL CONTRACT FILES (NAVSEA) (APR 2004)

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

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

(1) The support contractor not disclose any information;

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

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

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

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

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

Section D - Packaging and Marking

PART 1 - LINE ITEM DESCRIPTION**Items 0001, 0002 , 0005 and (if Option(s) are exercised) Items 1001 and 1002**

Supplies shall be prepared for shipment in accordance with the Packing, Handling, Storage, and Transportation (PHST) Implementation Plan, OD 32396. The Contractor shall provide the preservation, packaging, and packing of all items to be delivered under the terms of this contract appropriate to the type of transportation to be used, end use and/or destination. This packing shall provide adequate physical and mechanical protection against hazards anticipated to be encountered during handling, shipment and storage. Packing and packaging of all equipment shall be done in accordance with Level C as defined in MIL-STD-794 and NSWC/PHD Technical Note 4C12-1, and marking of shipments shall be done in accordance with MIL-STD-129. Dangerous materials, if any, which are to be shipped by carrier shall be prepared for shipment according to the applicable Federal or State regulations in effect at the time of shipment.

The Contractor shall provide movement plans inputs to PEO-IWS 1PR for U.S. ninety (90) days prior to shipment of equipment. Inputs will include equipment size, weight and packing information. Movement plans covering spares to be delivered as part of this contract will address the spares shipment as a lot rather than identify each spare by part number.

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Items 0007 Data, 0009 PTD

Data to be delivered by Integrated Digital Environment (IDE) or other electronic media shall be as specified in the contract.

All unclassified data to be shipped 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.

Item 0008 - PIO

The supplies furnished hereunder shall be cleaned, preserved, packaged, packed and marked in accordance with the instructions provided by the Contracting Officer, Provisioning Activity, or ACO. When not otherwise instructed, spare and repair parts shall be cleaned, preserved, packaged and packed and marked in accordance with "Level A Packaging and Packing" of Military Specification MIL-STD-794, and Amendment No. 2.

PART II – GENERAL REQUIREMENTS

WARRANTY NOTIFICATION FOR ITEM(S) 0001, 0002, 0005 and (if Option(s) are exercised) ITEM(S) 1001 and 1002 – ALTERNATE I (NAVSEA) (SEP 2009)

The Contractor shall apply a permanent warranty notification stamping or marking on each warranted deliverable end item and its container in accordance with MIL-STD-129P(4) dated 19 September 2007 and MIL-STD-130N dated 17 December 2007. The notification shall be placed in close proximity to other required stamping or markings so as to be easily readable by personnel. The warranty notification shall read:

THIS ITEM WARRANTED UNDER CONTRACT N00024-10-C-5114 TO CONFORM TO DESIGN, MANUFACTURING, AND PERFORMANCE REQUIREMENTS AND BE FREE FROM DEFECTS IN MATERIAL AND WORKMANSHIP FOR FORTY (40) MONTHS PAST CONTRACT REQUIRED DELIVERY DATE OR THE THE START OF POST SHAKEDOWN AVAILABILITY (PSA), WHICHEVER IS EARLIER. IF ITEM IS DEFECTIVE NOTIFY THE COR (PEO IWS 1PR2) AND PCO.

GOVERNMENT BILLS OF LADING

GOVERNMENT BILLS OF LADING (GBL) AND MAILING INDICIA

GBL will be utilized for equipment shipments to Lockheed Martin Corporation Government Electronics Systems, Pureland Warehouse; and elsewhere as authorized by the Government. U.S. Government Mailing Indicia shall be used in lieu of Government Bills of Lading when weight, cube, and the character of commodity permit movement within the U.S. Postal system. Mailing Indicia shall be used for correspondence, publication, and other written material. Mailing Indicia shall only be used from the prime Contractor to Government designations. The Contractor shall comply with Military specification MIL-E-17555 and also with the Packing, Handling, Storage and Transportation (PHST) Implementation Plan (OD 32396), for shipment by Government Bills of Lading (GBL). For that equipment not requiring movement plans, the Contractor shall use sound judgment and shall ship by air ride, padded vans, or flat bed vehicles when deemed necessary for safe delivery.

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IDENTIFICATION MARKING OF PARTS - ALTERNATE I (NAVSEA) (SEP 2009)

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

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

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

(i) Electrical Parts - that is, all parts in electrical equipments and electrical parts when used in equipments which are not electrical in nature (e.g., electric controls and motors in a hydraulic system) - shall be identified and marked in accordance with MIL-STD-1285D dated 7 September 2004, or, where MIL-STD-1285D does not cover such a part, in accordance with MIL-STD-130N dated 17 December 2007. Requirements of MIL-STD-1686C dated 25 October 1995 for Electrostatic Discharge Control shall be addressed.

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

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

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

MARKING AND PACKING LIST(S) - ALTERNATE I (NAVSEA) (DEC 2005)

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

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

Where DD Form 1348-1 or DD Form 1348-1A is applicable and an assortment of related items is included in the shipping container, a packing list identifying the contents shall be furnished.

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

(d) Part Identification. All items within the kit, set, installation hardware or material shall be suitably segregated and identified within the unit pack(s) or shipping container by part number and/or national stock number. Refer to the above cited MIL-STD for marking of assorted (related-unrelated) items.

MARKING OF REPORTS (NAVSEA) (SEP 1990)

All reports delivered by the Contractor to the Government under this contract shall prominently show on the cover of the report:

- (1) name and business address of the Contractor
- (2) contract number
- (3) contract dollar amount
- (4) whether the contract was competitively or non-competitively awarded
- (5) sponsor:

Glenn Coughlin

Program Executive Office, Integrated Warfare Systems (PEO IWS)

1333 Isaac Hull Ave. SE

Washington Navy Yard, DC 20376

Section E - Inspection and Acceptance

INSPECTION AND ACCEPTANCE TERMS

Supplies/services will be inspected/accepted at:

CLIN	INSPECT AT	INSPECT BY	ACCEPT AT	ACCEPT BY
0001	Origin	Government	Origin	Government
0002	Origin	Government	Origin	Government
0003	Destination	Government	Destination	Government
0004	Origin	Government	Origin	Government
0005	Origin	Government	Origin	Government
0006	Destination	Government	Destination	Government
0007	Destination	Government	Destination	Government
0008	Origin	Government	Origin	Government
0009	Destination	Government	Destination	Government
1001	Origin	Government	Origin	Government
1001AA	Origin	Government	Origin	Government
1001AB	Origin	Government	Origin	Government
1002	Origin	Government	Origin	Government
1002AA	Origin	Government	Origin	Government
1002AB	Origin	Government	Origin	Government
1003	Destination	Government	Destination	Government
1003AA	Destination	Government	Destination	Government
1003AB	Destination	Government	Destination	Government
1010	Destination	Government	Destination	Government
1011	Destination	Government	Destination	Government

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INSPECTION AND ACCEPTANCE OF DATA (NAVSEA) (SEP 1990)

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

ITEM DESCRIPTIONS**Items 0001, 0002, 0005 and (if Option(s) are exercised) Items 1001 and 1002**

Shall be inspected for the purpose of acceptance at source and shall be accepted by a representative of Government in accordance with the approved Factory Acceptance Test Plan/Procedures.

As used herein, the term "acceptance" shall be deemed to mean Government acceptance at source in accordance with the applicable drawings and Factory Acceptance Test Plan/Procedures and execution of DD Form 250 entitled "Material Inspection and Receiving Report."

A. Acceptance Requirements - Deliverable Equipment (CLINs 0001, 1001)

The Contractor shall perform the acceptance test for the deliverable equipment in accordance with Navy-approved Acceptance Test Procedures.

B. Acceptance Requirements – Interim Repair Parts (CLINs 0002, 1002) and Spare Parts (CLIN 0005)

The Contractor shall comply with all applicable inspection and test requirements. Acceptance shall be based on availability of evidence and test by the Contractor that the item meets the test and inspection requirements delineated either in the specification for an item controlled by a specification or in a drawing for other parts and assemblies. The Contractor shall obtain vendor data for vendor supplied parts and assemblies in accordance with the Contractor applicable drawing or purchase order. The Contractor shall make inspection data and vendor data available to the Navy on request. For items which will be accepted on the basis of in-process test results, the Navy will not be formally notified to witness any in-process testing, but may at any time witness testing on a noninterference basis.

Any Contractor built subassemblies, which are provided as spares (i.e., Circuit Cards), shall have full manufacturing documentation available at the time of acceptance. This will include As Built/As Designed information, inprocess/final mechanical inspection results and electrical test data.

Certificates of Compliance are not acceptable in lieu of inspection test data. Purchased items (component/assemblies) shall be furnished with inspection and/or test data as defined below:

(1) The Contractor shall identify those items on the make-or-buy plan that were accepted via an ANSI/ASQC Z1.4-1993 sampling plan. For those items accepted, test/inspection data will not be required.

(2) For those items on the make-or-buy plan that were not accepted via ANSI/ASQC Z1.4-1993 sampling plan, complete testing and acceptance data shall be presented at the time of acceptance. This data may be vendor originated, Source, Contractor incoming inspection, or a combination of these.

Items 0003 and (if Option(s) are exercised) Items 1003

Site support shall be performed at PTC within twelve (12) months after the contract delivery date (CDD) (Attachment B) of the last unit of Item 0001 and (if Option(s) are exercised) twelve (12) months after the CDD of the last unit of Item 1001AA and 1001AB.

CLAUSES INCORPORATED BY FULL TEXT

Item(s) 0006 and (if Option(s) are exercised) Item(s) 1010 and 1011 - Inspection and acceptance shall be made by the Contracting Officer's Representative (COR) or a designated representative of the Government.

ITEM 0007 - DATA

Inspection and Acceptance shall be in accordance with attached DD Form 1423, Exhibit A.

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Item 0008 - PIO

Item(s) 0008 - Inspection and acceptance shall be made at source by a representative of the cognizant Contract Administration Office.

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Item 0009 - PTD

Item(s) 0009 - The Government may accept, conditionally accept, or reject the Provisioning Technical Documentation (PTD) within sixty days after its delivery, or as specified on the applicable CDRL(s). A notice of conditional acceptance shall state any corrective action required by the Contractor. If PTD is rejected, the Contractor may be required, at the option of the Government, to correct any or all of the PTD. The Contractor shall at no additional cost to the Government make any necessary changes, modifications or corrections to the PTD. The Government shall take action on the corrected PTD within the time limit specified above. Government action under this requirement shall not affect or limit any other rights it may have under this contract.

PART II – GENERAL REQUIREMENTS

CLAUSES INCORPORATED BY REFERENCE

52.246-2	Inspection Of Supplies--Fixed Price	AUG 1996
52.246-4	Inspection Of Services--Fixed Price	AUG 1996
52.246-5	Inspection Of Services Cost-Reimbursement	APR 1984
52.246-11	Higher-Level Contract Quality Requirement	FEB 1999
52.246-16	Responsibility For Supplies	APR 1984
252.246-7000	Material Inspection And Receiving Report	MAR 2008

CLAUSES INCORPORATED BY FULL TEXT

CALIBRATION SYSTEM REQUIREMENTS (NAVSEA) (MAY 1995)

Calibration System Requirements. The calibration of measuring and testing equipment shall, as a minimum, adhere to the requirements of ANSI/NCSL Z540-1.

CLAUSES INCORPORATED BY FULL TEXT

COST OF QUALITY DATA (NAVSEA) (MAY 1995)

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

CLAUSES INCORPORATED BY FULL TEXT

INSPECTION AND TEST RECORDS (NAVSEA) MAY 1995)

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

CLAUSES INCORPORATED BY FULL TEXT

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

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

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

CLAUSES INCORPORATED BY FULL TEXT

QUALITY MANAGEMENT SYSTEM REQUIREMENTS (NAVSEA) (SEP 2009)

Quality Management System Requirements. The Contractor shall provide and maintain a quality management system that, as a minimum, adheres to the requirements of ANSI/ISO/ASQ 9001-2008 Quality Management Systems and supplemental requirements imposed by this contract. The quality management system procedures, planning, and all other documentation and data that comprise the quality management system shall be made available to the Government for review. Existing quality documents that meet the requirements of this contract may continue to be used. The Government may perform any necessary inspections, verifications, and evaluations to ascertain conformance to

requirements and the adequacy of the implementing procedures. The Contractor shall require of subcontractors a quality management system achieving control of the quality of the services and/or supplies provided. The Government reserves the right to disapprove the quality management system or portions thereof when it fails to meet the contractual requirements.

CLAUSES INCORPORATED BY FULL TEXT

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

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

WARRANTY

AEGIS PRODUCTION PROGRAM WARRANTY (USN)

A. Notwithstanding inspection and/or acceptance by the Government of the supplies furnished under this contract, any term or condition of this contract concerning the conclusiveness thereof, and any other term or condition of this contract, the Contractor warrants that:

1. All units under Line Items 0001, 0002, 0005, 1001, 1002, (herein after "covered items") will conform to the design and manufacturing requirements set forth in the contract. For the purpose of this clause, "design and manufacturing requirements" include drawings, specifications, statements of work, structural and engineering plans, and manufacturing particulars including precise measurements, tolerances, processes, materials, and finished product tests;
2. Covered items will be free from all defects in materials and workmanship at the time of delivery to the Government;
3. Covered items will conform to the essential performance requirements, operating capabilities, or maintenance and reliability characteristics set forth in the contract in accordance with the Mean Time Between Equipment Malfunction Event [MTB (EME)] parameters established in paragraph D; provided, however, that with respect to Government Furnished Property that is incorporated in the covered items, the Contractor's above-stated warranties shall extend only to its proper installation, unless the Contractor performs some modification or other work on such property, in which case these Contractor's warranties shall extend to such modification or other work.

B. The duration of this warranty is for a period from Government acceptance (execution of DD 250) of each unit through forty (40) months from Government Contract Delivery Date (CDD). The Contractor shall not be responsible under these warranties for any failure of the covered items to meet the conditions specified in A.1., A.2., or A.3 above, which occurs after the period of performance of the warranty.

C. All efforts during the period of this warranty to repair faults and failures in the covered items shall initially be the responsibility of the Government (see paragraph K.). Upon completion of each six (6) month period of the warranty, the Government will review the status of performance of repairs and failures for all warranted equipment under this contract, and the Contractor will, upon notification of a

problem, resolve any equipment failure situations which require action under this warranty. After the completion of the warranty period, the parties shall review the Government's records and shall agree upon the extent of the Contractor's obligation under this clause, in accordance with the procedures and criteria of paragraph D. below. Should it be determined that the Contractor's obligation under this warranty extends to certain repair actions, the Government shall provide data with regard to costs involved and the parties shall negotiate a mutually agreeable settlement for the World Wide Engineering Depot Operations Center (WEDOC) cost associated with the repair actions, to include costs of repair or replacement, components, materials, labor, engineering, administration, and transportation. Should the parties fail to agree to the extent and cost of the Contractor's obligation, the Contracting Officer, may with the approval of the Head of the Contracting Activity, determine a reasonable price subject to paragraph I. below.

- D. This paragraph sets forth the criteria for determining the Contractor's obligations under the provisions of this Warranty Clause.

All equipment malfunction events experienced by the covered items will be considered under the Warranty. Equipment malfunction events consist of all component failures, regardless of the impacts on Weapon System performance, except as set forth in paragraph E. below.

The Mean Time Between Equipment Malfunction Event [MTB(EME)] thresholds in TABLE I, for the purpose of this warranty, have been determined by calculations from the MTB(EME) specified in WS-10501 Parts I and II (Critical Item Development Specification for Director Group, Guidance MK 82 MOD 0).

The actual MTB(EME) for each shipset shall be evaluated for the period starting with Government Acceptance and ending forty (40) months after CDD for that shipset. For the purpose of this warranty, Government acceptance is defined as the first DD 250 of a shipset. At the end of the warranty period for each shipset, the MTB(EME) shall be calculated for each covered item by dividing the elapsed operating time by the number of equipment malfunction events mutually determined to have occurred during the warranty period defined above.

For the purpose of this warranty provision, the elapsed operating time for the period of the warranty shall be equal to the highest elapsed operating time accumulated during the warranty period on any of the equipment equipped with elapsed time meters provided under this contract and are covered by this warranty. The elapsed time shall be mutually determined separately for each shipset of warranted equipment. (A shipset consists of all AEGIS Weapon System warranted equipment for that one ship).

Breach of warranty occurs when the MTB (EME) is less than the value indicated in Table I for the corresponding actual elapsed operating time.

The Contractor assumes responsibility for only the WEDOC costs which are associated with the repair and/or replacement of all components (except as set forth in paragraph E. below) and which result from equipment malfunction events which occur during the balance of the warranty period following breach of warranty. Breach occurs when the number of EMEs exceeds a threshold maximum number of EMEs. The threshold maximum number of EMEs will be calculated by dividing the elapsed time in hours (as defined in paragraph d) by the corresponding MTE (EME) in hours listed in TABLE I.

- E. In the event of a breach of one or more of the essential performance requirements as stipulated in Paragraph A.3., the Contractor (in accordance with paragraph K) will determine the cause of the breach and develop a solution within 90 days, which will be submitted for Government approval. If the solution involves a redesign and retrofit, normal MIL-STD-480 configuration control procedures will apply. All costs for engineering
- F. The warranty provisions of this clause do not cover liability for loss, damages or injury to third parties or consequential damages, and do not apply to:

1. Combat damage;
 2. Damaged caused by means external to all warranted items provided by the Contractor under this contract;
 3. Failures of expendable items, those items not coded as repairable, during corrective maintenance, as identified in the applicable Technical Manuals;
 4. System or equipment operational problems or failures identified during or after installation or checkout which are the result of, or attributable to lack of adequate support facilities being available or installation by the Government or its contractors in such manner or locations aboard a particular ship or platform so as to preclude the system from meeting its acceptable performance requirements;
 5. System failures or equipment damage resulting from mishandling, incorrect installation, misuse or other anomalies during shipment or system installation and testing at the shipyard;
 6. Equipment stressed (electrically, mechanically, environmentally, or in any other manner) beyond normal design or test limits;
 7. Any item improperly repaired by parties other than the Contractor. Repair in this context does not include adjustments which are made in accordance with authorized maintenance actions;
 8. Any change or alteration to the covered items made after Government acceptance unless it is mutually agreed that such change or alteration is subject to the provisions of this warranty; or,
 9. Equipment for which the normal periodic preventive maintenance, as described in the applicable maintenance documents, has not been performed and the lack of such proper maintenance causes the failure.
- G. The burden of proof that the failure comes within Paragraph F. is on the Contractor, within the limits of available evidence, which shall normally include, as a minimum, the Government failure documentation and the failed component.
- H. This warranty shall apply to contractor-furnished replacement parts to the same extent as the parts in the equipment as initially accepted, provided that these replacement parts were manufactured to the same requirements as the covered items, except that this warranty shall be effective only through the original warranty period set forth in paragraph B. of this clause.
- I. The rights and remedies of the Government provided in this clause are in addition to and do not limit any rights the Government may have under any other clause of this Contract. Disputes arising under this clause shall be resolved in accordance with the clause of this contract entitled "Disputes".
- J. The failure of the Government to assert its right under this clause with respect to any particular breach or breaches of a warranty provided herein, shall not waive or otherwise diminish the Government's rights with respect to any subsequent breach of warranty.
- K. The terms of this warranty are based on the following:
1. Government repair efforts for the covered items during the period of this warranty shall be accomplished under the Worldwide Engineering Depot Operations Center (WEDOC) contract, or a successor thereto;

- 2. The Contractor shall not be liable for associated costs under this warranty if the facilities, tooling, drawings, or other equipment or supplies necessary to provide the part, for whose cost the Contractor is liable, have been made unavailable by action of the Government.

- L. The Contractor shall apply a permanent warranty notification stamping or marking on each warranted end item in accordance with MIL-STD-130 and, when appropriate, mark each container in accordance with MIL-STD-129.

- M. When it has been determined by the Government that the items covered under this warranty are to be repaired by the Contractor and the Contractor elects to have the covered items returned to the Contractor's facility or some other location in pursuance of this clause, the Contractor will bear the transportation costs and the risk of loss or damage from the place of delivery specified in the contract to the Contractor's plant and return.

- N. The Contractor shall prepare and furnish to the Government, data and reports applicable to any correction required under this clause including revision and updating of all affected data called for under this contract at no increase in the price of the contract. This data shall be incorporated in the tri-annual Reliability, Maintainability and Corrective Action Summary Report. If the Contractor fails to prepare and furnish such data and/or reports, the Contractor shall pay costs incurred by the Government in acquiring such data and/or reports.

TABLE I

MTB(EME) THRESHOLD FOR BREACH OF WARRANTY

<u>MTB(EME) SUPPLIES</u>	<u>THRESHOLD/SHIPSET</u>
MK 82 MOD 0 Directors (3 ea)	838 HRS
MK 200 MOD 0 Director Controllers (3 ea)	802 HRS

Section F - Deliveries or Performance

DELIVERY INFORMATION

CLIN	DELIVERY DATE	QUANTITY	SHIP TO ADDRESS	UIC
0001	01-MAR-2012	3	LOCKHEED MARTIN CORPORATION ATTN: GFE MANAGER GOVERNMENT ELECTRONICS SYSTEMS PURELAND WAREHOUSE 405 HERON DRIVE BRIDGEPORT NJ 08014 (856) 467-6374 FOB: Origin	
0002	01-MAR-2012	1	(SAME AS PREVIOUS LOCATION) FOB: Origin	
0003	POP WITHIN ONE (1) YEAR OF DELIVERY OF ITEM 0001		LOCKHEED MARTIN CORPORATION ATTN: SYSTEMS ENGINEERING SENIOR MANAGER 199 BORTON LANDING RD BLDG 143-114 MOORESTOWN, NJ 08057 (856) 722-7485	
0004	POP WITHIN NINETY (90) DAYS OF CONTRACT AWARD		CONTRACTOR FACILITY	
0005	01-MAR-2012	1	LOCKHEED MARTIN CORPORATION ATTN: GFE MANAGER GOVERNMENT ELECTRONICS SYSTEMS PURELAND WAREHOUSE 405 HERON DRIVE BRIDGEPORT NJ 08014 (856) 467-6374 FOB: Origin	
0006	POP 30-MAY-2010 TO 29- MAY-2011		TBD	
0007	IN ACCORDANCE WITH CDRLS		IN ACCORDANCE WITH CDRLS	
0008	TBD	TBD	TBD	
0009	IN ACCORDANCE WITH CDRLS		IN ACCORDANCE WITH CDRLS	
1001	N/A	N/A	N/A	N/A

1001AA	01-APR-2013	3	LOCKHEED MARTIN CORPORATION ATTN: GFE MANAGER GOVERNMENT ELECTRONICS SYSTEMS PURELAND WAREHOUSE 405 HERON DRIVE BRIDGEPORT NJ 08014 (856) 467-6374 FOB: Origin	
1001AB	01-OCT-2013	3	(SAME AS PREVIOUS LOCATION) FOB: Origin	
1002	N/A	N/A	N/A	N/A
1002AA	01-APR-2013	1	LOCKHEED MARTIN CORPORATION ATTN: GFE MANAGER GOVERNMENT ELECTRONICS SYSTEMS PURELAND WAREHOUSE 405 HERON DRIVE BRIDGEPORT NJ 08014 (856) 467-6374 FOB: Origin	
1002AB	01-OCT-2013	1	(SAME AS PREVIOUS LOCATION) FOB: Origin	
1003	N/A	N/A	N/A	N/A
1003AA	POP WITHIN ONE (1) YEAR OF DELIVERY OF ITEM 1001AA		LOCKHEED MARTIN CORPORATION ATTN: SYSTEMS ENGINEERING SENIOR MANAGER 199 BORTON LANDING RD BLDG 143-114 MOORESTOWN, NJ 08057 (856) 722-7485	
1003AB	POP WITHIN ONE (1) YEAR OF DELIVERY OF ITEM 1001AB		LOCKHEED MARTIN CORPORATION ATTN: SYSTEMS ENGINEERING SENIOR MANAGER 199 BORTON LANDING RD BLDG 143-114 MOORESTOWN, NJ 08057 (856) 722-7485	
1010	POP FROM DATE OF OPTION EXERCISE TO ONE YEAR FROM OPTION EXERCISE		TBD	
1011	POP FROM DATE OF OPTION EXERCISE TO ONE YEAR FROM OPTION EXERCISE		TBD	

CLAUSES INCORPORATED BY FULL TEXT

All supplies to be furnished hereunder shall be delivered free of expense to the Government at or near the Contractor's plant(s) on Government Bill of Lading, as follows:

Item 0001

The supplies to be furnished hereunder shall be at the manufacturing facility and ready for shipment on the date specified on Attachment B. Shipping instructions, including destinations, shall be provided by the cognizant ACO. Contract delivery dates (CDD) to addressee identified in Attachment B as follows:

<u>CLIN</u>	<u>CDD</u>
0001	01 March 2012

The period of performance for Configuration Management requirements as outlined in Attachment A3 shall be from contract award or exercise of options through Government acceptance (execution of DD 250).

The period of performance for Reliability and Maintainability requirements as outlined in Attachment A5 shall be from contract award or exercise of options through Government acceptance (execution of DD 250).

The period of performance for Standardization Engineering Services requirements as outlined in Attachment A6 shall be from contract award or exercise of options through Government acceptance (execution of DD 250).

Items 0002 and 0005

The supplies to be furnished hereunder shall be at the manufacturing facility and ready for shipment on the date specified on Attachment B. Shipping instructions, including destinations, shall be provided by the cognizant ACO. Contract delivery dates (CDD) to addressee identified in Attachment B as follows:

<u>CLIN</u>	<u>CDD</u>
0002/0005	01 March 2012

The period of performance for Configuration Management requirements as outlined in Attachment A3 shall be from contract award or exercise of options through Government acceptance (execution of DD 250).

The period of performance for Reliability and Maintainability requirements as outlined in Attachment A5 shall be from contract award or exercise of options through Government acceptance (execution of DD 250).

The period of performance for Standardization Engineering Services requirements as outlined in Attachment A6 shall be from contract award or exercise of options through Government acceptance (execution of DD 250).

Item 0003 and (if Option(s) are exercised) Item 1003**SITE SUPPORT AT PTC LOCKHEED MARTIN MARITIME AND SENSOR SYSTEMS (MS2)**

Site support shall be performed at PTC under Item 0003 within twelve (12) months after the CDD (Attachment B) of the last unit of Item 0001. If Options are exercised site support shall be performed at PTC under Item 1003AA within twelve (12) months after the CDD of the last unit of Item 1001AA and site support shall be performed at PTC under Item 1003AB within twelve (12) months after the CDD of the last unit of Item 1001AB.

Item 0004

Upon completion of a successful Production Readiness Review (PRR), as discussed under Section C, Part I, a letter will be prepared by the Program Management Office (PMO) and provided to Defense Management Contracting Agency (DCMA), Defense Finance and Accounting Service (DFAS) and the Procuring Contracting Officer, documenting the system requirements are fully met in the final production configuration, and that production capability demonstrates a satisfactory basis for proceeding into Low-Rate Initial Production and/or Full-Rate Production.

Item 0006 and (if Option(s) are exercised) Items 1010, 1011

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

<u>ITEM</u>	<u>FROM</u>	<u>TO</u>
ITEM 0006	30 May 2010	12 Months thereafter
ITEM 1010	Date of Option Exercise	12 Months thereafter
ITEM 1011	Date of Option Exercise	12 Months thereafter

If Option(s) are exercised—Item 1001

The supplies to be furnished hereunder shall at the manufacturing facility and ready for shipment on the dates specified at the time the option(s) is(are) exercised.. The dates may vary from those in Attachment B, but in no case shall the contract delivery date (CDD) specified at option exercise be earlier than the dates shown in Attachment B. Shipping instructions, including destinations, shall be provided by the cognizant ACO. Contract delivery dates (CDD) to addressee identified in Attachment B as follows:

<u>CLIN</u>	<u>CDD</u>
1001AA	01 April 2013
1001AB	01 October 2013

The period of performance for Configuration Management requirements as outlined in Attachment A3 shall be from contract award or exercise of options through Government acceptance (execution of DD 250).

The period of performance for Reliability and Maintainability requirements as outlined in Attachment A5 shall be from contract award or exercise of options through Government acceptance (execution of DD 250).

The period of performance for Standardization Engineering Services requirements as outlined in Attachment A6 shall be from contract award or exercise of options through Government acceptance (execution of DD 250).

If Option(s) are exercised—Item 1002

The supplies to be furnished hereunder shall at the manufacturing facility and ready for shipment on the dates specified at the time the option(s) is(are) exercised.. The dates may vary from those in Attachment B, but in no case shall the contract delivery date (CDD) specified at option exercise be earlier than the dates shown in Attachment B. Shipping instructions, including destinations, shall be provided by the cognizant ACO. Contract delivery dates (CDD) to addressee identified in Attachment B as follows:

<u>CLIN</u>	<u>CDD</u>
1002AA	01 April 2013
1002AB	01 October 2013

The period of performance for Configuration Management requirements as outlined in Attachment A3 shall be from

contract award or exercise of options through Government acceptance (execution of DD 250).

The period of performance for Reliability and Maintainability requirements as outlined in Attachment A5 shall be from contract award or exercise of options through Government acceptance (execution of DD 250).

The period of performance for Standardization Engineering Services requirements as outlined in Attachment A6 shall be from contract award or exercise of options through Government acceptance (execution of DD 250).

EARLY DELIVERY

The Contractor is authorized upon concurrence by the Contracting Officer to present deliverable items for Government acceptance in advance of contractual delivery dates specified in Attachment B. However, the Contractor is responsible for adhering to all contractual requirements identified herein whether delivery is early or in accordance with established delivery timelines identified under this contract.

Items 0007

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

Item 0008

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

CLAUSES INCORPORATED BY REFERENCE

52.242-15	Stop-Work Order	AUG 1989
52.242-15 Alt I	Stop-Work Order (Aug 1989) - Alternate I	APR 1984
52.242-17	Government Delay Of Work	APR 1984
52.247-29	F.O.B. Origin	FEB 2006
52.247-55	F.O.B. Point For Delivery Of Government-Furnished Property	JUN 2003
52.247-58	Loading, Blocking, And Bracing Of Freight Car Shipment	APR 1984
52.247-65	F.O.B. Origin, Prepaid Freight--Small Package Shipments	JAN 1991

Section G - Contract Administration Data

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CONTRACT ADMINISTRATION DATA

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

CLAUSES INCORPORATED BY FULL TEXT

CONTRACTING OFFICER'S
REPRESENTATIVE:

PROGRAM EXECUTIVE OFFICE FOR
INTEGRATED COMBAT SYSTEM (PEO IWS)
ATTN: G. COUGHLIN, IWS 1PR2
NAVAL SEA SYSTEMS COMMAND
1333 ISAAC HULL AVENUE SE STOP 2317
WASHINGTON NAVY YARD DC 20376-2317
Telephone No. 202/781-2789
glenn.h.coughlin@navy.mil

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

CLAUSES INCORPORATED BY FULL TEXT

PURCHASING OFFICE REPRESENTATIVE:

COMMANDER
ATTN: JENNIFER L. THOMPSON, SEA 02511T
NAVAL SEA SYSTEMS COMMAND
1333 ISAAC HULL AVENUE SE STOP 2040
WASHINGTON NAVY YARD DC 20376-2040
Telephone No. 202/781-4354
Fax No. 202/781-4648
Email Address: jennifer.l.thompson1@navy.mil

CLAUSES INCORPORATED BY REFERENCE

252.232-7003	Electronic Submission of Payment Requests and Receiving Reports	MAR 2008
252.246-7000	Material Inspection And Receiving Report	MAR 2008

CLAUSES INCORPORATED BY FULL TEXT

INVOICE INSTRUCTIONS (NAVSEA) (SEP 2009)

(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 documentation is available under Resources at <http://wawftraining.com>.

(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(s) (*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)

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

Issue DODAAC

N00024

Admin DODAAC	<u>Filled in at award</u>
Pay Office DODAAC	<u>Filled in at award</u>
Inspector DODAAC	<u>Filled in at award</u>
Service Acceptor DODAAC	<u>Filled in at award</u>
Service Approver DODAAC	<u>Filled in at award</u>
Ship To DODAAC	<u>See Section F</u>
DCAA Auditor DODAAC	<u>Filled in at award</u>
LPO DODAAC	<u>Filled in at award</u>
Inspection Location	<u>See Section E</u>
Acceptance Location	<u>See Section E</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.

Send Additional Email Notification To:
Cognizant ACO – glenn.h.coughlin@navy.mil

(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) 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 Margaret Morgan at (202) 781-4815 or margaret.morgan@navy.mil.

Section H - Special Contract Requirements

SPECIAL REQUIREMENT

SPECIAL CONTRACT REQUIREMENT REGARDING NON-DISCLOSURE OF INFORMATION

In the course of performing this contract, the Contractor may be or has been given access to or entrusted with Source Selection Information (as defined in Federal Acquisition Regulation (FAR) 2.101), other sensitive Government data such as data identified as "Business Sensitive," and/or data belonging to or marked or considered as "proprietary" (e.g., restrictive legend per FAR 52.215-1) by _____ [Insert Name of Company] or other companies. Data includes all data, information and software, regardless of the medium (e.g. electronic or paper) and/or format in which the data exists, and includes data which is derived from, based on, incorporates, includes or refers to such Source Selection, Business Sensitive and/or proprietary data (collectively referred to herein as "the data"). This Special Contract Requirement implements Defense FAR Supplement (DFARS) 252.204-7000, "DISCLOSURE OF INFORMATION."

As a condition to receiving access to the data, the Contractor shall: (1) prior to having access to proprietary data, obtain the agreement of the source of the data to permit access by the Contractor to such data; (2) use the data solely for the purpose of performing duties under this contract; (3) not discuss with, disclose, release, reproduce or otherwise provide or make available the data, or any portion thereof, to any employee of the Contractor unless and until such person has executed the individual non-disclosure agreement at Attachment J to this contract; (4) not discuss with, disclose, release, reproduce or otherwise provide or make available the data, or any portion thereof, to any non-Government person or entity (including, but not limited to any subcontractor, joint venturer, affiliate, successor or assignee of the Contractor), unless the Contracting Officer (and any company claiming the data is proprietary) have given prior written approval, AND the person receiving the data has executed an individual non-disclosure agreement similar to that at Attachment J to this contract; (5) establish safeguards to protect such data or software from unauthorized use or disclosure; and (6) indoctrinate its personnel who will have access to the data as to the restrictions under which access is granted. Any other use, disclosure, release or reproduction is unauthorized and may result in substantial criminal, civil and/or administrative penalties to the Contractor or to the individual who violates this clause or non-disclosure agreement. Any agreement with another company regarding access to that company's proprietary data relating to the AEGIS WEAPON SYSTEM Program shall not create any limitation on the Government or its employees with regard to such data. A copy of each executed company and individual non-disclosure agreement relating to this contract shall be provided to the Contracting Officer.

Appropriate restrictive legends will be included by the Contractor on any copies and reproductions made of all or any part of the data and any data that is derived from, is based upon, incorporates, includes or refers to the data. When the Contractor's need for such data ends, the data shall be returned promptly (within 5 business days) to the appropriate Government AEGIS WEAPON SYSTEM Program personnel. However, the obligation not to discuss, disclose, release, reproduce or otherwise provide or make available such data, or any portion thereof, shall continue, even after completion of the contract, for the life of the AEGIS WEAPON SYSTEM (including development, production, operation, use, modification or modernization of the AEGIS WEAPON SYSTEM). Any actual or suspected unauthorized use, disclosure, release, or reproduction of such data or violation of this agreement, of which the company or any employee is or may become aware, will be reported promptly (within one business day) to the Contractor's Program Manager, who will inform the Contracting Officer within one business day of receiving the report.

CLAUSES INCORPORATED BY FULL TEXT

5252.202-9101 ADDITIONAL DEFINITIONS (MAY 1993)

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

(a) DEPARTMENT means the Department of the Navy.

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

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

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

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

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

5252.216-9122 LEVEL OF EFFORT (DEC 2000)

Applicable to CLINs 0006, 1010, and 1011.

(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 _____ 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 _____ (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 ____ 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.

(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.

(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.

5252.227-9113 GOVERNMENT-INDUSTRY DATA EXCHANGE PROGRAM (OCT 2006)

(a) The Contractor shall participate in the appropriate interchange of the Government-Industry Data Exchange Program (GIDEP) in accordance with NAVSEA S0300-BU-GYD-010 dated November 1994. Data entered is retained by the program and provided to qualified participants. Compliance with this requirement shall not relieve the Contractor from complying with any other requirement of the contract.

(b) The Contractor agrees to insert paragraph (a) of this requirement in any subcontract hereunder exceeding \$500,000.00. When so inserted, the word "Contractor" shall be changed to "Subcontractor".

(c) GIDEP materials, software and information are available without charge from:

GIDEP
P.O. Box 8000
Corona, CA 92878-8000

Phone: (951) 898-3207
FAX: (951) 898-3250
Internet: <http://www.gidep.org>

5252.232-9104 ALLOTMENT OF FUNDS (JAN 2008)

(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:

<u>ITEM(S)</u>	<u>ALLOTED TO COST</u>	<u>ESTIMATED</u>	
		<u>ALLOTED TO FEE</u>	<u>PERIOD OF PERFORMANCE</u>
0004	\$ TBD	\$ TBD	TBD
0006	\$ TBD	\$ TBD	TBD

1010	\$ TBD	\$ TBD	TBD
1011	\$ TBD	\$ TBD	TBD

(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 TBD 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.

5252.233-9103 DOCUMENTATION OF REQUESTS FOR EQUITABLE ADJUSTMENT (APR 1999)

(a) For the purposes of this special contract requirement, the term "change" includes not only a change that is made pursuant to a written order designated as a "change order" but also (1) an engineering change proposed by the Government or by the Contractor and (2) any act or omission to act on the part of the Government in respect of which a request is made for equitable adjustment.

(b) Whenever the Contractor requests or proposes an equitable adjustment of \$100,000 or more per vessel in respect to a change made pursuant to a written order designated as a "change order" or in respect to a proposed engineering change and whenever the Contractor requests an equitable adjustment in any amount in respect to any other act or omission to act on the part of the Government, the proposal supporting such request shall contain the following information for each individual item or element of the request:

(1) A description (i) of the work required by the contract before the change, which has been deleted by the change, and (ii) of the work deleted by the change which already has been completed. The description is to include a list of components, equipment, and other identifiable property involved. Also, the status of manufacture, procurement, or installation of such property is to be indicated. Separate description is to be furnished for design and production work. Items of raw material, purchased parts, components and other identifiable hardware, which are made excess by the change and which are not to be retained by the Contractor, are to be listed for later disposition;

(2) Description of work necessary to undo work already completed which has been deleted by the change;

(3) Description of work not required by the terms hereof before the change, which is substituted or added by the change. A list of components and equipment (not bulk materials or items) involved should be included. Separate descriptions are to be furnished for design work and production work;

(4) Description of interference and inefficiencies in performing the change;

(5) Description of each element of disruption and exactly how work has been, or will be disrupted:

(i) The calendar period of time during which disruption occurred, or will occur;

(ii) Area(s) aboard the vessel where disruption occurred, or will occur;

(iii) Trade(s) disrupted, with a breakdown of manhours for each trade;

(iv) Scheduling of trades before, during, and after period of disruption;

(v) Description of measures taken to lessen the disruptive effect of the change;

(6) Delay in delivery attributable solely to the change;

(7) Other work attributable to the change;

(8) Supplementing the foregoing, a narrative statement of the direct "causal" relationship between any alleged Government act or omission and the claimed consequences therefor, cross referenced to the detailed information provided as required above; and

(9) A statement setting forth a comparative enumeration of the amounts "budgeted" for the cost elements, including the material costs, labor hours and pertinent indirect costs, estimated by the Contractor in preparing its initial and ultimate proposal(s) for this contract, and the amounts claimed to have been incurred and/or projected to be incurred corresponding to each such "budgeted cost" elements.

(c) Each proposal in excess of \$100,000 submitted in support of a claim for equitable adjustment under any requirement of this contract shall, in addition to the information required by paragraph (b) hereof, contain such information as the Contracting Officer may require with respect to each individual claim item.

(d) It is recognized that individual claims for equitable adjustment may not include all of the factors listed in paragraph (b) above. Accordingly, the Contractor is required to set forth in its proposal information only with respect to those factors which are comprehended in the individual claim for equitable adjustment. In any event, the information furnished hereunder shall be in sufficient detail to permit the Contracting Officer to cross-reference the claimed increased costs, or delay in delivery, or both, as appropriate, submitted pursuant to paragraph (c) of this requirement, with the information submitted pursuant to paragraph (b) hereof.

5252.242-9115 TECHNICAL INSTRUCTIONS (APR 1999)

Applicable to CLINs 0006, 1010, and 1011.

(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.

(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.

5252.245-9108 GOVERNMENT-FURNISHED PROPERTY (PERFORMANCE) (SEP 1990)

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

Reference Attachment D

5252.245-9109 GOVERNMENT-FURNISHED PROPERTY (INCORPORATION) (SEP 1990)

The Government will provide only that property set forth below, notwithstanding any term or condition of this contract to the contrary. Upon Contractor's written request to the cognizant Technical Program Manager, via the cognizant Contract Administration Office, the Government will furnish the following for incorporation in the equipment to be delivered under Item(s) 0001, 0002, 0005, 1001, and 1002 of this contract:

Reference Attachment D

5252.245-9111 RENT-FREE USE OF GOVERNMENT PROPERTY (AS IS) (SEP 2009)

(a) The Contractor may use on a rent-free basis, as necessary for the performance of this contract, Government property (as defined in FAR 45.101) accountable under Contract(s) N00024-10-C-5114. The said property shall be governed by the terms and conditions of the contract(s) under which it is accountable. No representation or warranty is made by the Government as to the fitness or suitability of said property for its intended use under this contract; it being understood and agreed that the said property is being made available for use under this contract on an "as is" basis in accordance with paragraph (d)(2)(iii) of the clause entitled "GOVERNMENT PROPERTY" (FAR 52.245-1).

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

Section I - Contract Clauses

CLAUSES INCORPORATED BY REFERENCE

252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals	JUL 2009
52.202-1	Definitions	JUL 2004
52.203-3	Gratuities	APR 1984
52.203-5	Covenant Against Contingent Fees	APR 1984
52.203-6	Restrictions On Subcontractor Sales To The Government	SEP 2006
52.203-7	Anti-Kickback Procedures	JUL 1995
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity	JAN 1997
52.203-10	Price Or Fee Adjustment For Illegal Or Improper Activity	JAN 1997
52.203-12	Limitation On Payments To Influence Certain Federal Transactions	SEP 2007
52.203-13	Contractor Code of Business Ethics and Conduct	DEC 2008
52.203-14	Display of Hotline Poster(s)	DEC 2007
52.204-4	Printed or Copied Double-Sided on Recycled Paper	AUG 2000
52.204-7	Central Contractor Registration	APR 2008
52.204-10	Reporting Subcontract Awards	SEP 2007
52.209-6	Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment	SEP 2006
52.211-5	Material Requirements	AUG 2000
52.215-2	Audit and Records--Negotiation	MAR 2009
52.215-8	Order of Precedence--Uniform Contract Format	OCT 1997
52.215-9	Changes or Additions to Make-or-Buy Program	OCT 1997
52.215-14	Integrity of Unit Prices	OCT 1997
52.215-21 Alt II	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data--Modifications (Oct 1997) - Alternate II	OCT 1997
52.215-21 Alt III	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data--Modifications (Oct 1997) - Alternate III	OCT 1997
52.216-7	Allowable Cost And Payment	DEC 2002
52.216-8	Fixed Fee	MAR 1997
52.219-4	Notice of Price Evaluation Preference for HUBZone Small Business Concerns	JUL 2005
52.219-8	Utilization of Small Business Concerns	MAY 2004
52.219-9 Alt II	Small Business Subcontracting Plan (Apr 2008) Alternate II	OCT 2001
52.219-16	Liquidated Damages-Subcontracting Plan	JAN 1999
52.222-1	Notice To The Government Of Labor Disputes	FEB 1997
52.222-2	Payment For Overtime Premiums	JUL 1990
52.222-3	Convict Labor	JUN 2003
52.222-4	Contract Work Hours and Safety Standards Act - Overtime Compensation	JUL 2005
52.222-19	Child Labor -- Cooperation with Authorities and Remedies	AUG 2009
52.222-21	Prohibition Of Segregated Facilities	FEB 1999
52.222-26	Equal Opportunity	MAR 2007
52.222-35	Equal Opportunity For Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans	SEP 2006
52.222-36	Affirmative Action For Workers With Disabilities	JUN 1998

52.222-37	Employment Reports On Special Disabled Veterans, Veterans Of The Vietnam Era, and Other Eligible Veterans	SEP 2006
52.222-38	Compliance With Veterans' Employment Reporting Requirements	DEC 2001
52.222-50	Combating Trafficking in Persons	FEB 2009
52.223-6	Drug-Free Workplace	MAY 2001
52.223-11	Ozone-Depleting Substances	MAY 2001
52.223-12	Refrigeration Equipment and Air Conditioners	MAY 1995
52.223-14	Toxic Chemical Release Reporting	AUG 2003
52.225-13	Restrictions on Certain Foreign Purchases	JUN 2008
52.227-1	Authorization and Consent	DEC 2007
52.227-2	Notice And Assistance Regarding Patent And Copyright Infringement	DEC 2007
52.227-10	Filing Of Patent Applications--Classified Subject Matter	DEC 2007
52.228-7	Insurance--Liability To Third Persons	MAR 1996
52.229-3	Federal, State And Local Taxes	APR 2003
52.230-2	Cost Accounting Standards	OCT 2008
52.230-3	Disclosure And Consistency Of Cost Accounting Practices	OCT 2008
52.230-6	Administration of Cost Accounting Standards	MAR 2008
52.232-1	Payments	APR 1984
52.232-8	Discounts For Prompt Payment	FEB 2002
52.232-9	Limitation On Withholding Of Payments	APR 1984
52.232-11	Extras	APR 1984
52.232-16	Progress Payments	JUL 2009
52.232-17	Interest	OCT 2008
52.232-22	Limitation Of Funds	APR 1984
52.232-23	Assignment Of Claims	JAN 1986
52.232-25	Prompt Payment	OCT 2008
52.232-25 Alt I	Prompt Payment (Oct 2008) Alternate I	FEB 2002
52.232-33	Payment by Electronic Funds Transfer--Central Contractor Registration	OCT 2003
52.233-1	Disputes	JUL 2002
52.233-1 Alt I	Disputes (Jul 2002) - Alternate I	DEC 1991
52.233-3	Protest After Award	AUG 1996
52.233-3 Alt I	Protest After Award (Aug 1996) - Alternate I	JUN 1985
52.233-4	Applicable Law for Breach of Contract Claim	OCT 2004
52.237-3	Continuity Of Services	JAN 1991
52.242-1	Notice of Intent to Disallow Costs	APR 1984
52.242-3	Penalties for Unallowable Costs	MAY 2001
52.242-4	Certification of Final Indirect Costs	JAN 1997
52.242-13	Bankruptcy	JUL 1995
52.243-1 Alt II	Changes--Fixed-Price (Aug 1987) - Alternate II	APR 1984
52.243-6	Change Order Accounting	APR 1984
52.244-2	Subcontracts	JUN 2007
52.244-5	Competition In Subcontracting	DEC 1996
52.244-6	Subcontracts for Commercial Items	AUG 2009
52.245-1 (Dev)	Government Property (June 2007)	JUN 2007
52.245-1 Alt I	Government Property (Jun 2007) Alternate I	JUN 2007
52.245-9	Use And Charges	JUN 2007
52.246-23	Limitation Of Liability	FEB 1997
52.246-24 Alt I	Limitation Of Liability--High Value Items (Feb 1997) - Alternate I	APR 1984
52.246-25	Limitation Of Liability--Services	FEB 1997
52.247-1	Commercial Bill Of Lading Notations	FEB 2006

52.247-68	Report of Shipment (REPSHIP)	FEB 2006
52.248-1	Value Engineering	FEB 2000
52.249-2	Termination For Convenience Of The Government (Fixed-Price)	MAY 2004
52.249-6	Termination (Cost Reimbursement)	MAY 2004
52.249-8	Default (Fixed-Price Supply & Service)	APR 1984
52.249-14	Excusable Delays	APR 1984
52.253-1	Computer Generated Forms	JAN 1991
252.201-7000	Contracting Officer's Representative	DEC 1991
252.203-7000	Requirements Relating to Compensation of Former DoD Officials	JAN 2009
252.203-7001	Prohibition On Persons Convicted of Fraud or Other Defense-Contract-Related Felonies	DEC 2008
252.203-7002	Requirement to Inform Employees of Whistleblower Rights	JAN 2009
252.204-7000	Disclosure Of Information	DEC 1991
252.204-7003	Control Of Government Personnel Work Product	APR 1992
252.204-7004 Alt A	Central Contractor Registration (52.204-7) Alternate A	SEP 2007
252.204-7005	Oral Attestation of Security Responsibilities	NOV 2001
252.204-7006	Billing Instructions	OCT 2005
252.205-7000	Provision Of Information To Cooperative Agreement Holders	DEC 1991
252.209-7004	Subcontracting With Firms That Are Owned or Controlled By The Government of a Terrorist Country	DEC 2006
252.211-7000	Acquisition Streamlining	DEC 1991
252.219-7003	Small Business Subcontracting Plan (DOD Contracts)	APR 2007
252.223-7004	Drug Free Work Force	SEP 1988
252.225-7001	Buy American Act And Balance Of Payments Program	JAN 2009
252.225-7002	Qualifying Country Sources As Subcontractors	APR 2003
252.225-7004	Report of Contract Performance Outside the United States and Canada--Submission after Award	MAY 2007
252.225-7007	Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies	SEP 2006
252.225-7009	Restriction on Acquisition of Certain Articles Containing Speciality Metals	JUL 2009
252.225-7012	Preference For Certain Domestic Commodities	DEC 2008
252.225-7013	Duty-Free Entry	OCT 2006
252.225-7016	Restriction On Acquisition Of Ball and Roller Bearings	MAR 2006
252.226-7001	Utilization of Indian Organizations and Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns	SEP 2004
252.227-7013	Rights in Technical Data--Noncommercial Items	NOV 1995
252.227-7014	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation	JUN 1995
252.227-7016	Rights in Bid or Proposal Information	JUN 1995
252.227-7019	Validation of Asserted Restrictions--Computer Software	JUN 1995
252.227-7027	Deferred Ordering Of Technical Data Or Computer Software	APR 1988
252.227-7030	Technical Data--Withholding Of Payment	MAR 2000
252.227-7037	Validation of Restrictive Markings on Technical Data	SEP 1999
252.227-7038	Patent Rights--Ownership by the Contractor (Large Business)	DEC 2007
252.231-7000	Supplemental Cost Principles	DEC 1991
252.232-7010	Levies on Contract Payments	DEC 2006
252.242-7003	Application For U.S. Government Shipping Documentation/Instructions	DEC 1991
252.242-7004	Material Management And Accounting System	JUL 2009
252.243-7001	Pricing Of Contract Modifications	DEC 1991

252.243-7002	Requests for Equitable Adjustment	MAR 1998
252.244-7000	Subcontracts for Commercial Items and Commercial Components (DoD Contracts)	AUG 2009
252.246-7001	Warranty Of Data	DEC 1991
252.246-7003	Notification of Potential Safety Issues	JAN 2007
252.249-7002	Notification of Anticipated Program Termination or Reduction	DEC 2006

CLAUSES INCORPORATED BY FULL TEXT

52.217-9 OPTION TO EXTEND THE TERM OF THE CONTRACT (MAR 2000) (NAVSEA VARIATION) (SEP 2009)

(a) The Government may extend the term of this contract by written notice(s) to the Contractor within the periods specified below. If more than one option exists the Government has the right to unilaterally exercise any such option whether or not it has exercised other options.

<u>ITEM(S)</u>	<u>LATEST OPTION EXERCISE DATE</u>
0004	30 Days After Contract Award
1001	28 February 2011
1002	28 February 2011
1003	28 February 2011
1010	28 February 2011
1011	28 February 2011

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

(c) The total duration of this contract, including the exercise of any option(s) under this clause, shall not exceed five (5) years, however, in accordance with paragraph (g) of the requirement of this contract entitled "LEVEL OF EFFORT" (NAVSEA 5252.216-9122), if the total manhours delineated in paragraph (a) of the LEVEL OF EFFORT requirement, have not been expended within the period specified above, the Government may require the Contractor to continue to perform the work until the total number of manhours specified in paragraph (a) of the aforementioned requirement have been expended.

52.223-9 ESTIMATE OF PERCENTAGE OF RECOVERED MATERIAL CONTENT FOR EPA-DESIGNATED ITEMS (MAY 2008)

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

Postconsumer material means a material or finished product that has served its intended use and has been discarded for disposal or recovery, having completed its life as a consumer item. Postconsumer material is a part of the broader category of "recovered material."

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

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

(1) Estimate the percentage of the total recovered material content for EPA-designated item(s) delivered and/or used in contract performance, including, if applicable, the percentage of post-consumer material content; and

(2) Submit this estimate to _____ (Contracting Officer complete in accordance with agency procedures).

(End of clause)

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

(a) Definitions.

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

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

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

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

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

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

(End of clause)

52.243-7 NOTIFICATION OF CHANGES (APR 1984)

(a) Definitions.

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

"Specifically authorized representative (SAR)," as used in this clause, means any person the Contracting Officer has so designated by written notice (a copy of which shall be provided to the Contractor) which shall refer to this

subparagraph and shall be issued to the designated representative before the SAR exercises such authority.

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

- (1) The date, nature, and circumstances of the conduct regarded as a change;
- (2) The name, function, and activity of each Government individual and Contractor official or employee involved in or knowledgeable about such conduct;
- (3) The identification of any documents and the substance of any oral communication involved in such conduct;
- (4) In the instance of alleged acceleration of scheduled performance or delivery, the basis upon which it arose;
- (5) The particular elements of contract performance for which the Contractor may seek an equitable adjustment under this clause, including--
 - (i) What contract line items have been or may be affected by the alleged change;
 - (ii) What labor or materials or both have been or may be added, deleted, or wasted by the alleged change;
 - (iii) To the extent practicable, what delay and disruption in the manner and sequence of performance and effect on continued performance have been or may be caused by the alleged change;
 - (iv) What adjustments to contract price, delivery schedule, and other provisions affected by the alleged change are estimated; and
- (6) The Contractor's estimate of the time by which the Government must respond to the Contractor's notice to minimize cost, delay or disruption of performance.

(c) Continued performance. Following submission of the notice required by (b) above, the Contractor shall diligently continue performance of this contract to the maximum extent possible in accordance with its terms and conditions as construed by the Contractor, unless the notice reports a direction of the Contracting Officer or a communication from a SAR of the Contracting Officer, in either of which events the Contractor shall continue performance; provided, however, that if the Contractor regards the direction or communication as a change as described in (b) above, notice shall be given in the manner provided. All directions, communications, interpretations, orders and similar actions of the SAR shall be reduced to writing and copies furnished to the Contractor and to the Contracting Officer. The Contracting Officer shall countermand any action which exceeds the authority of the SAR.

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

- (1) Confirm that the conduct of which the Contractor gave notice constitutes a change and when necessary direct the mode of further performance;
- (2) Countermand any communication regarded as a change;
- (3) Deny that the conduct of which the Contractor gave notice constitutes a change and when necessary direct the mode of further performance; or

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

(e) Equitable adjustments.

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

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

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

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

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

(End of clause)

52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

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

FAR at <http://www.arnet.gov/far/> & DFARS at <http://www.acq.osd.mil/dp/dars/dfars.html>

(End of clause)

52.252-6 AUTHORIZED DEVIATIONS IN CLAUSES (APR 1984)

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

(b) The use in this solicitation or contract of any [Defense Federal Acquisition Regulations Supplement](#) (48 CFR [Chapter 2](#)) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

(End of clause)

252.211-7003 ITEM IDENTIFICATION AND VALUATION (AUG 2008)

(a) Definitions. As used in this clause'

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

Concatenated unique item identifier means--

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

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

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

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

DoD unique item identification means a system of marking items delivered to DoD with unique item identifiers that have machine-readable data elements to distinguish an item from all other like and unlike items. For items that are serialized within the enterprise identifier, the unique item identifier shall include the data elements of the enterprise identifier and a unique serial number. For items that are serialized within the part, lot, or batch number within the enterprise identifier, the unique item identifier shall include the data elements of the enterprise identifier; the original part, lot, or batch number; and the serial number.

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

Enterprise identifier means a code that is uniquely assigned to an enterprise by an issuing agency.

Government's unit acquisition cost means--

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

(2) For cost-type or undefinitized line, subline, or exhibit line items, the Contractor's estimated fully burdened unit cost to the Government at the time of delivery; and

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

Issuing agency means an organization responsible for assigning a non-repeatable identifier to an enterprise (i.e., Dun & Bradstreet's Data Universal Numbering System (DUNS) Number, GS1 Company Prefix, or Defense Logistics Information System (DLIS) Commercial and Government Entity (CAGE) Code).

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

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

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

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

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

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

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

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

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

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

Unique item identifier means a set of data elements marked on items that is globally unique and unambiguous. The term includes a concatenated unique item identifier or a DoD recognized unique identification equivalent.

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

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

(c) Unique item identifier.

(1) The Contractor shall provide a unique item identifier for the following:

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

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

 Contract line, subline, or exhibit line
 item No. Item description

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

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

(3) Data syntax and semantics of unique item identifiers. The Contractor shall ensure that--

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

(A) Application Identifiers (AIs) (Format Indicator 05 of ISO/IEC International Standard 15434), in accordance with ISO/IEC International Standard 15418, Information Technology--EAN/UCC Application Identifiers and Fact Data Identifiers and Maintenance and ANSI MH 10.8.2 Data Identifier and Application Identifier Standard.

(B) Data Identifiers (DIs) (Format Indicator 06 of ISO/IEC International Standard 15434), in accordance with ISO/IEC International Standard 15418, Information Technology--EAN/UCC Application Identifiers and Fact Data Identifiers and Maintenance and ANSI MH 10.8.2 Data Identifier and Application Identifier Standard.

(C) Text Element Identifiers (TEIs) (Format Indicator 12 of ISO/IEC International Standard 15434), in accordance with the Air Transport Association Common Support Data Dictionary; and

(ii) The encoded data elements of the unique item identifier conform to the transfer structure, syntax, and coding of messages and data formats specified for Format Indicators 05, 06, and 12 in ISO/IEC International Standard 15434, Information Technology--Transfer Syntax for High Capacity Automatic Data Capture Media.

(4) Unique item identifier.

(i) The Contractor shall--

(A) Determine whether to--

(1) Serialize within the enterprise identifier;

(2) Serialize within the part, lot, or batch number; or

(3) Use a DoD recognized unique identification equivalent; and

(B) Place the data elements of the unique item identifier (enterprise identifier; serial number; DoD recognized unique identification equivalent; and for serialization within the part, lot, or batch number only: original part, lot, or batch number) on items requiring marking by paragraph (c)(1) of this clause, based on the criteria provided in the version of MIL-STD-130, Identification Marking of U.S. Military Property, cited in the contract Schedule.

(ii) The issuing agency code--

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

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

(d) For each item that requires unique item identification under paragraph (c)(1)(i) or (ii) of this clause, in addition to the information provided as part of the Material Inspection and Receiving Report specified elsewhere in this contract, the Contractor shall report at the time of delivery, either as part of, or associated with, the Material Inspection and Receiving Report, the following information:

- (1) Unique item identifier.
- (2) Unique item identifier type.
- (3) Issuing agency code (if concatenated unique item identifier is used).
- (4) Enterprise identifier (if concatenated unique item identifier is used).
- (5) Original part number (if there is serialization within the original part number).
- (6) Lot or batch number (if there is serialization within the lot or batch number).
- (7) Current part number (optional and only if not the same as the original part number).
- (8) Current part number effective date (optional and only if current part number is used).
- (9) Serial number (if concatenated unique item identifier is used).
- (10) Government's unit acquisition cost.
- (11) Unit of measure.

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

- (1) Unique item identifier of the parent item under paragraph (c)(1) of this clause that contains the embedded subassembly, component, or part.
- (2) Unique item identifier of the embedded subassembly, component, or part.
- (3) Unique item identifier type.**
- (4) Issuing agency code (if concatenated unique item identifier is used).**
- (5) Enterprise identifier (if concatenated unique item identifier is used).**
- (6) Original part number (if there is serialization within the original part number).**
- (7) Lot or batch number (if there is serialization within the lot or batch number).**
- (8) Current part number (optional and only if not the same as the original part number).**
- (9) Current part number effective date (optional and only if current part number is used).**
- (10) Serial number (if concatenated unique item identifier is used).**

(11) Description.

** Once per item.

(f) The Contractor shall submit the information required by paragraphs (d) and (e) of this clause in accordance with the data submission procedures at http://www.acq.osd.mil/dpap/pdi/uid/data_submission_information.html.

(g) Subcontracts. If the Contractor acquires by subcontract, any item(s) for which unique item identification is required in accordance with paragraph (c)(1) of this clause, the Contractor shall include this clause, including this paragraph (g), in the applicable subcontract(s).

(End of clause)

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

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

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

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

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

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

(Offeror insert information for each SPI process)

SPI Process: _____

Facility: _____

Military or Federal Specification or Standard: _____

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

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

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

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

(End of clause)

252.211-7007 REPORTING OF GOVERNMENT-FURNISHED EQUIPMENT IN THE DOD ITEM UNIQUE IDENTIFICATION (IUID) REGISTRY (NOV 2008)

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

2D data matrix symbol means the 2-dimensional Data Matrix ECC 200 as specified by International Standards Organization/International Electrotechnical Commission (ISO/IEC) Standard 16022: Information Technology--International Symbology Specification--Data Matrix.

Acquisition cost, for Government-furnished equipment, means the amount identified in the contract, or in the absence of such identification, the item's fair market value.

Concatenated unique item identifier means--

(1) For items that are serialized within the enterprise identifier, the linking together of the unique identifier data elements in order of the issuing agency code, enterprise identifier, and unique serial number within the enterprise identifier; e.g., the enterprise identifier along with the contractor's property internal identification, i.e., tag number is recognized as the serial number; or

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

Equipment means a tangible item that is functionally complete for its intended purpose, durable, nonexpendable, and needed for the performance of a contract. Equipment is not intended for sale, and does not ordinarily lose its identity or become a component part of another article when put into use.

Government-furnished equipment means an item of special tooling, special test equipment, or equipment, in the possession of, or directly acquired by, the Government and subsequently furnished to the Contractor (including subcontractors and alternate locations) for the performance of a contract.

Item means equipment, special tooling, or special test equipment, to include such equipment, special tooling, or special test equipment that is designated as serially managed, mission essential, sensitive, or controlled inventory (if previously identified as such in accordance with the terms and conditions of the contract).

Item unique identification (IUID) means a system of assigning, reporting, and marking DoD property with unique item identifiers that have machine-readable data elements to distinguish an item from all other like and unlike items.

IUID Registry means the DoD data repository that receives input from both industry and Government sources and provides storage of, and access to, data that identifies and describes tangible Government personal property.

Material means property that may be consumed or expended during the performance of a contract, component parts of a higher assembly, or items that lose their individual identity through incorporation into an end item. Material does not include equipment, special tooling, or special test equipment.

Reparable means an item, typically in unserviceable condition, furnished to the Contractor for maintenance, repair, modification, or overhaul.

Sensitive item means an item potentially dangerous to public safety or security if stolen, lost, or misplaced, or that shall be subject to exceptional physical security, protection, control, and accountability. Examples include weapons, ammunition, explosives, controlled substances, radioactive materials, hazardous materials or wastes, or precious metals.

Serially managed item means an item designated by DoD to be uniquely tracked, controlled, or managed in maintenance, repair, and/or supply systems by means of its serial number.

Special test equipment means either single or multipurpose integrated test units engineered, designed, fabricated, or modified to accomplish special purpose testing in performing a contract. It consists of items or assemblies of equipment including foundations and similar improvements necessary for installing special test equipment, and standard or general purpose items or components that are interconnected and interdependent so as to become a new functional entity for special testing purposes. Special test equipment does not include material, special tooling, real property, or equipment items used for general testing purposes, or property that with relatively minor expense can be made suitable for general purpose use.

Special tooling means jigs, dies, fixtures, molds, patterns, taps, gauges, and all components of these items, including foundations and similar improvements necessary for installing special tooling, and which are of such a specialized nature that without substantial modification or alteration their use is limited to the development or production of particular supplies or parts thereof or to the performance of particular services. Special tooling does not include material, special test equipment, real property, equipment, machine tools, or similar capital items.

Unique item identifier (UII) means a set of data elements permanently marked on an item that is globally unique and unambiguous and never changes, in order to provide traceability of the item throughout its total life cycle. The term includes a concatenated UII or a DoD recognized unique identification equivalent.

Virtual UII means the UII data elements assigned to an item that is not marked with a DoD compliant 2D data matrix symbol, e.g., enterprise identifier, part number, and serial number; or the enterprise identifier along with the Contractor's property internal identification, i.e., tag number.

(b) Requirement for item unique identification of Government-furnished equipment. Except as provided in paragraph (c) of this clause--

(1) Contractor accountability and management of Government-furnished equipment shall be performed at the item level; and

(2) Unless provided by the Government, the Contractor shall establish a virtual UII or a DoD recognized unique identification for items that are--

(i) Valued at \$5,000 or more in unit acquisition cost; or

(ii) Valued at less than \$5,000 in unit acquisition cost and are serially managed, mission essential, sensitive, or controlled inventory, as identified in accordance with the terms and conditions of the contract.

(c) Exceptions. Paragraph (b) of this clause does not apply to--

(1) Government-furnished material;

(2) Repairables;

(3) Contractor-acquired property;

(4) Property under any statutory leasing authority;

(5) Property to which the Government has acquired a lien or title solely because of partial, advance, progress, or performance-based payments;

(6) Intellectual property or software; or

(7) Real property.

(d) Procedures for establishing UIIs. To permit reporting of virtual UIIs to the DoD IUID Registry, the Contractor's property management system shall enable the following data elements in addition to those required by paragraph (f)(1)(iii) of the Government Property clause of this contract (FAR 52.245-1):

(1) Parent UII.

(2) Concatenated UII.

(3) Received/Sent (shipped) date.

(4) Status code.

(5) Current part number (if different from the original part number).

(6) Current part number effective date.

(7) Category code ("E" for equipment).

(8) Contract number.

(9) Commercial and Government Entity (CAGE) code.

(10) Mark record.

(i) Bagged or tagged code (for items too small to individually tag or mark).

(ii) Contents (the type of information recorded on the item, e.g., item internal control number).

(iii) Effective date (date the mark is applied).

(iv) Added or removed code/flag.

(v) Marker code (designates which code is used in the marker identifier, e.g., D=CAGE, UN=DUNS, LD=DODAAC).

(vi) Marker identifier, e.g., Contractor's CAGE code or DUNS number.

(vii) Medium code; how the data is recorded, e.g., barcode, contact memory button.

(viii) Value, e.g., actual text or data string that is recorded in its human readable form.

(ix) Set (used to group marks when multiple sets exist); for the purpose of this clause, this defaults to ``one (1)''.

(e) Procedures for updating the DoD IUID Registry. The Contractor shall update the DoD IUID Registry at <https://www.bpn.gov/iuid> for changes in status, mark, custody, or disposition of items--

(1) Delivered or shipped from the Contractor's plant, under Government instructions, except when shipment is to a subcontractor or other location of the Contractor;

(2) Consumed or expended, reasonably and properly, or otherwise accounted for, in the performance of the contract as determined by the Government property administrator, including reasonable inventory adjustments;

(3) Disposed of; or

(4) Transferred to a follow-on or other contract.

(End of clause)

252.247-7023 Transportation of Supplies by Sea (MAY 2002)

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

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

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

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

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

(5) "Subcontractor" means a supplier, materialman, distributor, or vendor at any level below the prime contractor whose contractual obligation to perform results from, or is conditioned upon, award of the prime contract and who is performing any part of the work or other requirement of the prime contract.

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

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

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

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

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

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

(i) This contract is a construction contract; or

(ii) The supplies being transported are--

(A) Noncommercial items; or

(B) Commercial items that--

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

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

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

(c) The Contractor and its subcontractors may request that the Contracting Officer authorize shipment in foreign-flag vessels, or designate available U.S.-flag vessels, if the Contractor or a subcontractor believes that --

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

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

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

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

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

(2) Required shipping date;

(3) Special handling and discharge requirements;

(4) Loading and discharge points;

(5) Name of shipper and consignee;

(6) Prime contract number; and

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

(e) The Contractor shall, within 30 days after each shipment covered by this clause, provide the Contracting Officer and the Maritime Administration, Office of Cargo Preference, U.S. Department of Transportation, 400 Seventh Street SW., Washington, DC 20590, one copy of the rated on board vessel operating carrier's ocean bill of lading, which shall contain the following information:

(1) Prime contract number;

(2) Name of vessel;

(3) Vessel flag of registry;

(4) Date of loading;

(5) Port of loading;

(6) Port of final discharge;

(7) Description of commodity;

(8) Gross weight in pounds and cubic feet if available;

(9) Total ocean freight in U.S. dollars; and

(10) Name of the steamship company.

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

(1) No ocean transportation was used in the performance of this contract;

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

(3) Ocean transportation was used, and the Contractor had the written consent of the Contracting Officer for all non-U.S.-flag ocean transportation; or

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

ITEM DESCRIPTION	CONTRACT LINE ITEMS	QUANTITY
_____	_____	_____
_____	_____	_____
_____	_____	_____
TOTAL	_____	_____

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

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

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

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

(End of clause)

252.247-7024 Notification of Transportation of Supplies by Sea (MAR 2000)

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

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

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

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

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

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

(i) Noncommercial items; or

(ii) Commercial items that--

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

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

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

(End of clause)

Section J - List of Documents, Exhibits and Other Attachments

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

Exhibits

Exhibit A and B Table of Contents Matrix – 4 pages (Page IV lists the CDRL Attachments 1 through 8)

Contract Data Requirements Lists, DD form 1423 –Exhibit A -

Contract Data Requirements Lists, DD form 1423 –Exhibit B -

Attachment A - Production Deliverables and Management Support Responsibilities of the Contractor - 4 Pages

Attachment A1 – Reference Documents – 8 Pages

Attachment A2 – Quality Assurance Requirements – 11 Pages

Attachment A3 – Configuration Management Requirements – 3 Pages

Attachment A4 – Environmental Stress Screening and Semiconductor Testing Program – 2 Pages

Attachment A5 – AEGIS Program Reliability and Maintainability Requirements – 3 Pages

Attachment A6 – AEGIS Standardization Program – 4 Pages

Attachment A7 – AEGIS Fire Control System Interim Repair Parts– 1 Page

Attachment A8 – Contractor Drawing Requirements 2 Pages

Attachment A9 – Installation and Checkout (INCO) List- 1 Page

Attachment B – Delivery Schedule, NAVSEA Form 4336/1 – 1 Page

Attachment C – Accounting and Appropriation Data – TO BE SUPPLIED AT AWARD

Attachment D – Government Furnished Property – 7 Pages

Attachment E – Contract Security Classification Specification, DD Form 254 with attachments - 9 Pages

Attachment F - NAVSEA addendum for PTD Requirements for Development Items Procured as Government
Furnished Equipment – 73 Pages

(located at: <http://www.nslc.navsea.navy.mil/techlog/pmg/pmg.htm>)

Attachment G – Small Business/Small Disadvantaged Business Subcontracting Plan – TO BE PROVIDED WITH
PROPOSAL AND INCORPORATED UPON AWARD

Attachment H – List of Data Items that the Contractor is to Develop and Retain on-site for Government Review – 1
Page

Attachment I – Make or Buy Planning Guidance – 2 Pages—MAKE OR BUY PLAN TO BE PROVIDED WITH
PROPOSAL AND WILL BE MADE ATTACHMENT I UPON AWARD.

Attachment J – Non-Disclosure Agreement – TO BE PROVIDED BEFORE AWARD, IF NEEDED.

Section K - Representations, Certifications and Other Statements of Offerors

CLAUSES INCORPORATED BY REFERENCE

252.225-7003	Report of Intended Performance Outside the United States and Canada--Submission with Offer	DEC 2006
252.225-7010	Commercial Derivative Military Article--Speciality Metals Compliance Certificate	JUL 2009

CLAUSES INCORPORATED BY FULL TEXT

52.204-8 ANNUAL REPRESENTATIONS AND CERTIFICATIONS (FEB 2009)

(a)(1) The North American Industry Classification System (NAICS) code for this acquisition is 334111.

(2) The small business size standard is 1,000 employees.

(3) The small business size standard for a concern which submits an offer in its own name, other than on a construction or service contract, but which proposes to furnish a product which it did not itself manufacture, is 500 employees.

(b)(1) If the clause at 52.204-7, Central Contractor Registration, is included in this solicitation, paragraph (d) of this provision applies.

(2) If the clause at 52.204-7 is not included in this solicitation, and the offeror is currently registered in CCR, and has completed the ORCA electronically, the offeror may choose to use paragraph (d) of this provision instead of completing the corresponding individual representations and certifications in the solicitation. The offeror shall indicate which option applies by checking one of the following boxes:

Paragraph (d) applies.

Paragraph (d) does not apply and the offeror has completed the individual representations and certifications in the solicitation.

(c)(1) The following representations or certifications in ORCA are applicable to this solicitation as indicated:

(i) 52.203-2, Certificate of Independent Price Determination. This provision applies to solicitations when a firm-fixed-price contract or fixed-price contract with economic price adjustment is contemplated, unless--

(A) The acquisition is to be made under the simplified acquisition procedures in Part 13;

(B) The solicitation is a request for technical proposals under two-step sealed bidding procedures; or

(C) The solicitation is for utility services for which rates are set by law or regulation.

(ii) 52.203-11, Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions. This provision applies to solicitations expected to exceed \$100,000.

- (iii) 52.204-3, Taxpayer Identification. This provision applies to solicitations that do not include the clause at 52.204-7, Central Contractor Registration.
- (iv) 52.204-5, Women-Owned Business (Other Than Small Business). This provision applies to solicitations that--
- (A) Are not set aside for small business concerns;
 - (B) Exceed the simplified acquisition threshold; and
 - (C) Are for contracts that will be performed in the United States or its outlying areas.
- (v) 52.209-5, Certification Regarding Responsibility Matters. This provision applies to solicitations where the contract value is expected to exceed the simplified acquisition threshold.
- (vi) 52.214-14, Place of Performance--Sealed Bidding. This provision applies to invitations for bids except those in which the place of performance is specified by the Government.
- (vii) 52.215-6, Place of Performance. This provision applies to solicitations unless the place of performance is specified by the Government.
- (viii) 52.219-1, Small Business Program Representations (Basic & Alternate I). This provision applies to solicitations when the contract will be performed in the United States or its outlying areas.
- (A) The basic provision applies when the solicitations are issued by other than DoD, NASA, and the Coast Guard.
 - (B) The provision with its Alternate I applies to solicitations issued by DoD, NASA, or the Coast Guard.
- (ix) 52.219-2, Equal Low Bids. This provision applies to solicitations when contracting by sealed bidding and the contract will be performed in the United States or its outlying areas.
- (x) 52.222-22, Previous Contracts and Compliance Reports. This provision applies to solicitations that include the clause at 52.222-26, Equal Opportunity.
- (xi) 52.222-25, Affirmative Action Compliance. This provision applies to solicitations, other than those for construction, when the solicitation includes the clause at 52.222-26, Equal Opportunity.
- (xii) 52.222-38, Compliance with Veterans' Employment Reporting Requirements. This provision applies to solicitations when it is anticipated the contract award will exceed the simplified acquisition threshold and the contract is not for acquisition of commercial items.
- (xiii) 52.223-1, Biobased Product Certification. This provision applies to solicitations that require the delivery or specify the use of USDA-designated items; or include the clause at 52.223-2, Affirmative Procurement of Biobased Products Under Service and Construction Contracts.
- (xiv) 52.223-4, Recovered Material Certification. This provision applies to solicitations that are for, or specify the use of, EPA-designated items.
- (xv) 52.225-2, Buy American Act Certificate. This provision applies to solicitations containing the clause at 52.225-1.
- (xvi) 52.225-4, Buy American Act--Free Trade Agreements—Israeli Trade Act Certificate. (Basic, Alternate I, and Alternate II) This provision applies to solicitations containing the clause at 52.225-3.
- (A) If the acquisition value is less than \$25,000, the basic provision applies.

(B) If the acquisition value is \$25,000 or more but is less than \$50,000, the provision with its Alternate I applies.

(C) If the acquisition value is \$50,000 or more but is less than \$67,826, the provision with its Alternate II applies.

(xvii) 52.225-6, Trade Agreements Certificate. This provision applies to solicitations containing the clause at 52.225-5.

(xviii) 52.225-20, Prohibition on Conducting Restricted Business Operations in Sudan--Certification.

(xix) 52.226-2, Historically Black College or University and Minority Institution Representation. This provision applies to--

(A) Solicitations for research, studies, supplies, or services of the type normally acquired from higher educational institutions; and

(B) For DoD, NASA, and Coast Guard acquisitions, solicitations that contain the clause at 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns.

(2) The following certifications are applicable as indicated by the Contracting Officer:

(Contracting Officer check as appropriate.)

----(i) 52.219-19, Small Business Concern Representation for the Small Business Competitiveness Demonstration Program.

----- (ii) 52.219-21, Small Business Size Representation for Targeted Industry Categories Under the Small Business Competitiveness Demonstration Program.

----- (iii) 52.219-22, Small Disadvantaged Business Status.

----- (A) Basic.

----- (B) Alternate I.

----- (iv) 52.222-18, Certification Regarding Knowledge of Child Labor for Listed End Products.

----- (v) 52.222-48, Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment Certification.

----- (vi) 52.222-52 Exemption from Application of the Service Contract Act to Contracts for Certain Services-- Certification.

----- (vii) 52.223-9, with its Alternate I, Estimate of Percentage of Recovered Material Content for EPA- Designated Products (Alternate I only).

X ----- (viii) 52.223-13, Certification of Toxic Chemical Release Reporting.

----- (ix) 52.227-6, Royalty Information.

----- (A) Basic.

----- (B) Alternate I.

-----~~(x)~~ 52.227-15, Representation of Limited Rights Data and Restricted Computer Software.

(d) The offeror has completed the annual representations and certifications electronically via the Online Representations and Certifications Application (ORCA) website at <http://orca.bpn.gov>. After reviewing the ORCA database information, the offeror verifies by submission of the offer that the representations and certifications currently posted electronically that apply to this solicitation as indicated in paragraph (c) of this provision have been entered or updated within the last 12 months, are current, accurate, complete, and applicable to this solicitation (including the business size standard applicable to the NAICS code referenced for this solicitation), as of the date of this offer and are incorporated in this offer by reference (see FAR 4.1201); except for the changes identified below (offeror to insert changes, identifying change by clause number, title, date). These amended representation(s) and/or certification(s) are also incorporated in this offer and are current, accurate, and complete as of the date of this offer.

FAR Clause	Title	Date	Change
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Any changes provided by the offeror are applicable to this solicitation only, and do not result in an update to the representations and certifications posted on ORCA.

(End of Provision)

52.225-18 PLACE OF MANUFACTURE (SEP 2006)

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

Manufactured end product means any end product in Federal Supply Classes (FSC) 1000-9999, except--

- (1) FSC 5510, Lumber and Related Basic Wood Materials;
- (2) Federal Supply Group (FSG) 87, Agricultural Supplies;
- (3) FSG 88, Live Animals;
- (4) FSG 89, Food and Related Consumables;
- (5) FSC 9410, Crude Grades of Plant Materials;
- (6) FSC 9430, Miscellaneous Crude Animal Products, Inedible;
- (7) FSC 9440, Miscellaneous Crude Agricultural and Forestry Products;
- (8) FSC 9610, Ores;
- (9) FSC 9620, Minerals, Natural and Synthetic; and
- (10) FSC 9630, Additive Metal Materials.

Place of manufacture means the place where an end product is assembled out of components, or otherwise made or processed from raw materials into the finished product that is to be provided to the Government. If a product is disassembled and reassembled, the place of reassembly is not the place of manufacture.

(b) For statistical purposes only, the offeror shall indicate whether the place of manufacture of the end products it expects to provide in response to this solicitation is predominantly--

(1) In the United States (Check this box if the total anticipated price of offered end products manufactured in the United States exceeds the total anticipated price of offered end products manufactured outside the United States); or

(2) Outside the United States.

(End of provision)

52.230-7 PROPOSAL DISCLOSURE--COST ACCOUNTING PRACTICE CHANGES (APR 2005)

The offeror shall check ``yes" below if the contract award will result in a required or unilateral change in cost accounting practice, including unilateral changes requested to be desirable changes.

Yes No

If the offeror checked ``Yes" above, the offeror shall--

(1) Prepare the price proposal in response to the solicitation using the changed practice for the period of performance for which the practice will be used; and

(2) Submit a description of the changed cost accounting practice to the Contracting Officer and the Cognizant Federal Agency Official as pricing support for the proposal.

(End of provision)

252.209-7001 DISCLOSURE OF OWNERSHIP OR CONTROL BY THE GOVERNMENT OF A TERRORIST COUNTRY (JAN 2009)

(a) "Definitions."

As used in this provision --

(a) "Government of a terrorist country" includes the state and the government of a terrorist country, as well as any political subdivision, agency, or instrumentality thereof.

(2) "Terrorist country" means a country determined by the Secretary of State, under section 6(j)(1)(A) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)(i)(A)), to be a country the government of which has repeatedly provided support for such acts of international terrorism. As of the date of this provision, terrorist countries subject to this provision include: Cuba, Iran, Sudan, and Syria.

(3) "Significant interest" means --

(i) Ownership of or beneficial interest in 5 percent or more of the firm's or subsidiary's securities. Beneficial interest includes holding 5 percent or more of any class of the firm's securities in "nominee shares," "street names," or some other method of holding securities that does not disclose the beneficial owner;

(ii) Holding a management position in the firm, such as a director or officer;

(iii) Ability to control or influence the election, appointment, or tenure of directors or officers in the firm;

(iv) Ownership of 10 percent or more of the assets of a firm such as equipment, buildings, real estate, or other tangible assets of the firm; or

(v) Holding 50 percent or more of the indebtedness of a firm.

(b) "Prohibition on award."

In accordance with 10 U.S.C. 2327, no contract may be awarded to a firm or a subsidiary of a firm if the government of a terrorist country has a significant interest in the firm or subsidiary or, in the case of a subsidiary, the firm that owns the subsidiary, unless a waiver is granted by the Secretary of Defense.

(c) "Disclosure."

If the government of a terrorist country has a significant interest in the Offeror or a subsidiary of the Offeror, the Offeror shall disclose such interest in an attachment to its offer. If the Offeror is a subsidiary, it shall also disclose any significant interest the government of a terrorist country has in any firm that owns or controls the subsidiary. The disclosure shall include --

(1) Identification of each government holding a significant interest; and

(2) A description of the significant interest held by each government.

(End of provision)

252.204-7007 ANNUAL REPRESENTATIONS AND CERTIFICATIONS (52.204-8) ALTERNATE A

(a)(1) The North American Industry Classification System (NAICS) code for this acquisition is (insert NAICS code).

(2) The small business size standard is (insert size standard).

(3) The small business size standard for a concern which submits an offer in its own name, other than on a construction or service contract, but which proposes to furnish a product which it did not itself manufacture, is 500 employees.

(b)(1) If the clause at 52.204-7, Central Contractor Registration, is included in this solicitation, paragraph (c) of this provision applies.

(2) If the clause at 52.204-7 is not included in this solicitation, and the offeror is currently registered in CCR, and has completed the ORCA electronically, the offeror may choose to use paragraph (b) of this provision instead of completing the corresponding individual representations and certifications in the solicitation. The offeror shall indicate which option applies by checking one of the following boxes:

() Paragraph (c) applies.

() Paragraph (c) does not apply and the offeror has completed the individual representations and certifications in the solicitation.

(c) The offeror has completed the annual representations and certifications electronically via the Online Representations and Certifications Application (ORCA) Web site at <https://orca.bpn.gov/>.

After reviewing the ORCA database information, the offeror verifies by submission of the offer that the representations and certifications currently posted electronically have been entered or updated within the last 12 months, are current, accurate, complete, and applicable to this solicitation (including the business size standard applicable to the NAICS code referenced for this solicitation), as of the date of this offer, and are incorporated in this offer by reference (see FAR 4.1201); except for the changes identified below [offeror to insert changes, identifying change by clause number, title, date]. These amended representation(s) and/or certification(s) are also incorporated in this offer and are current, accurate, and complete as of the date of this offer.

FAR/DFARS clause No.	Title	Date	Change

Any changes provided by the offeror are applicable to this solicitation only, and do not result in an update to the representations and certifications posted on ORCA.

(End of Provision)

252.209-7002 DISCLOSURE OF OWNERSHIP OR CONTROL BY A FOREIGN GOVERNMENT (JUN 2005)

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

(1) "Effectively owned or controlled" means that a foreign government or any entity controlled by a foreign government has the power, either directly or indirectly, whether exercised or exercisable, to control the election, appointment, or tenure of the Offeror's officers or a majority of the Offeror's board of directors by any means, e.g., ownership, contract, or operation of law (or equivalent power for unincorporated organizations).

(2) "Entity controlled by a foreign government"—

(i) Means—

(A) Any domestic or foreign organization or corporation that is effectively owned or controlled by a foreign government; or

(B) Any individual acting on behalf of a foreign government.

(ii) Does not include an organization or corporation that is owned, but is not controlled, either directly or indirectly, by a foreign government if the ownership of that organization or corporation by that foreign government was effective before October 23, 1992.

(3) "Foreign government" includes the state and the government of any country (other than the United States and its outlying areas) as well as any political subdivision, agency, or instrumentality thereof.

(4) "Proscribed information" means—

(i) Top Secret information;

(ii) Communications Security (COMSEC) information, except classified keys used to operate secure telephone units (STU IIIs);

(iii) Restricted Data as defined in the U.S. Atomic Energy Act of 1954, as amended;

(iv) Special Access Program (SAP) information; or

(v) Sensitive Compartmented Information (SCI).

(b) *Prohibition on award.* No contract under a national security program may be awarded to an entity controlled by a foreign government if that entity requires access to proscribed information to perform the contract, unless the Secretary of Defense or a designee has waived application of 10 U.S.C. 2536(a).

(c) *Disclosure.* The Offeror shall disclose any interest a foreign government has in the Offeror when that interest constitutes control by a foreign government as defined in this provision. If the Offeror is a subsidiary, it shall also disclose any reportable interest a foreign government has in any entity that owns or controls the subsidiary, including reportable interest concerning the Offeror's immediate parent, intermediate parents, and the ultimate parent. Use separate paper as needed, and provide the information in the following format:

Offeror's Point of Contact for Questions about Disclosure
(Name and Phone Number with Country Code, City Code
and Area Code, as applicable)

Name and Address of Offeror

Name and Address of Entity Controlled by a Foreign Government	Description of Interest, Ownership Percentage, and Identification of Foreign Government
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(End of provision)

252.227-7028 TECHNICAL DATA OR COMPUTER SOFTWARE PREVIOUSLY DELIVERED TO THE GOVERNMENT (JUN 1995)

The Offeror shall attach to its offer an identification of all documents or other media incorporating technical data or computer software it intends to deliver under this contract with other than unlimited rights that are identical or substantially similar to documents or other media that the Offeror has produced for, delivered to, or is obligated to deliver to the Government under any contract or subcontract. The attachment shall identify--

(a) The contract number under which the data or software were produced;

(b) The contract number under which, and the name and address of the organization to whom, the data or software were most recently delivered or will be delivered; and

(c) Any limitations on the Government's rights to use or disclose the data or software, including, when applicable, identification of the earliest date the limitations expire.

(End of clause)

252.247-7022 REPRESENTATION OF EXTENT OF TRANSPORTATION BY SEA (AUG 1992)

(a) The Offeror shall indicate by checking the appropriate blank in paragraph (b) of this provision whether transportation of supplies by sea is anticipated under the resultant contract. The term supplies is defined in the Transportation of Supplies by Sea clause of this solicitation.

(b) Representation. The Offeror represents that it:

___ (1) Does anticipate that supplies will be transported by sea in the performance of any contract or subcontract resulting from this solicitation.

___ (2) Does not anticipate that supplies will be transported by sea in the performance of any contract or subcontract resulting from this solicitation.

(c) Any contract resulting from this solicitation will include the Transportation of Supplies by Sea clause. If the Offeror represents that it will not use ocean transportation, the resulting contract will also include the Defense FAR Supplement clause at 252.247-7024, Notification of Transportation of Supplies by Sea.

(End of provision)

Section L - Instructions, Conditions and Notices to Bidders

CLAUSES INCORPORATED BY REFERENCE

52.207-4	Economic Purchase Quantity-Supplies	AUG 1987
52.214-34	Submission Of Offers In The English Language	APR 1991
52.215-1 Alt I	Instructions to Offerors--Competitive Acquisition (Jan 2004) - Alternate I	OCT 1997
52.215-16	Facilities Capital Cost of Money	JUN 2003
52.222-24	Preaward On-Site Equal Opportunity Compliance Evaluation	FEB 1999

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ALTERNATIVES TO SPECIFICATIONS OR STANDARDS (NAVSEA) (AUG 1994)

- (a) The Department of Defense is committed to minimizing the incorporation of military and outdated federal and commercial specifications and standards in contracts and is seeking to use alternative, tailored or updated non-government specifications and standards to the maximum extent practicable to satisfy the requirements.
- (b) This solicitation contains military, federal and non-government specifications and standards. To assist in the standardization of military/commercial specifications and standards and to enable the Government to evaluate current commercial practices, offerors are invited to propose (1) alternatives to those mandatory military, federal or commercial specifications and standards listed in this solicitation and/or (2) tailoring of mandatory military or federal specifications and standards identified in this solicitation.
- (c) Offerors are invited to demonstrate whether the mandatory military, federal or non-government specifications and standards are advantageous to the Government and whether commercial specifications and standards or tailored specifications listed herein would meet the mandatory performance requirements specified in this solicitation. Offerors should list below any commercial specification or standard and the specification or standard from the solicitation which it would replace. Any proposed tailored specifications should also be listed. Use additional pages as necessary.

	SPEC/STD PROPOSED
	SPEC/STD REPLACED (Including number, rev. and date)

A copy of any proposed alternative commercial specifications or standards as well as any tailored specifications and standards shall be included in the offeror's proposal. Rationale which describes the advantages of the proposed alternative shall also be included in the offeror's proposal as detailed in the paragraph entitled "Instructions to Offerors" contained in Section L of this solicitation.

(d) The Government shall consider the alternative specifications and standards in meeting the solicitation requirements during the source selection evaluation. Evaluation criteria for alternative specifications and standards is contained in Section M of this solicitation. If the Government accepts the proposed alternative specifications and standards, the offeror's proposal may be incorporated into the resultant contract, either in whole or in part, at the Government's discretion. It is requested that all recommendations be submitted within _____ days from the date of this solicitation. Acceptance by the Government of alternative specifications or standards does not obligate the Government to conduct discussions under this solicitation.

FACILITY SECURITY CLEARANCE (NAVSEA) (SEP 1990)

(a) No award will be made to any offeror which does not possess a facility security clearance issued by the Defense Investigative Service at the _____ level. Naval Sea Systems Command will initiate appropriate security clearance action for any apparent successful offeror which does not already possess such clearance. The Government is not obligated to delay award pending security clearance of any offeror.

(b) The security classification of this procurement is specified in the Contract Security Classification Specification, DD Form 254, attached hereto.

MAKE-OR-BUY PROGRAM (NAVSEA) (SEP 1990)

Offeror shall submit as part of its proposal a written proposed make-or-buy program in accordance with the requirements set forth herein.

(a) Definition of Make-or-Buy Program: A make-or-buy program is that part of each offeror's written plan which identifies the major work efforts, sub-systems, assemblies, subassemblies, and components to be manufactured, developed, or assembled in its own facilities, and those which will be obtained elsewhere by subcontract. The program shall not include raw materials, commercial products or off-the-shelf items unless their potential impact on contract or schedule is critical. A "make" item is any item produced, or work performed, by the offeror or its affiliates, subsidiaries, or divisions. A "buy" item is any item or work effort which will be obtained elsewhere by subcontract.

(b) Requirements of Make-or-Buy Program under this Solicitation. For purposes of this solicitation, the make-or-buy program should not include items or work efforts estimated to cost less than (a) 1% of the total estimated contract price, or (b) \$1,000,000, whichever is less.

(c) Factors to be Considered by Offeror in the Formulation of Its Make-or-Buy Program. Offeror shall consider such factors as capability, capacity, availability of small business and labor surplus area concerns as subcontract sources, the establishment of new facilities in or near sections of concentrated unemployment or underemployment, contract schedules, integration control, proprietary processes, and technical superiority or exclusiveness, before identifying in its proposed make-or-buy program that work which it considers it or its affiliates, subsidiaries, or divisions (i) must perform as "must make", (ii) must subcontract as "must buy", and (iii) can either perform or acquire by subcontract as "can make or buy".

(d) Information Required in Offeror's Make-or-Buy Program. Offeror shall include in its proposed make-or-buy program:

- (1) A description of each major item or work effort.

- (2) Categorization of each major item or work effort as "must make", "must buy", or "can either make or buy".
- (3) For each item or work effort categorized as "can either make or buy", a proposal either to "make" or to "buy".
- (4) Reasons for (i) categorizing items and work efforts as "must make" or "must buy", and (ii) proposing to "make" or to "buy" those categorized as "can either make or buy". The reasons must include the consideration given to the evaluation factors described in the solicitation and be in sufficient detail to permit the Contracting Officer to evaluate the categorization or proposal.
- (5) Designation of the plant or division proposed to make each item or perform each work effort and a statement as to whether the existing or proposed new facility is in or near a labor surplus area.
- (6) Identification of proposed subcontractors, if known, and their location and size status.
- (7) Any recommendations to defer make-or-buy decisions when categorization of some items or work efforts is impracticable at the time of submission.
- (8) Any other information the Contracting Officer requires in order to evaluate the program.

REQUIREMENTS CONCERNING WORK WEEK (NAVSEA) (MAY 1993)

- (a) Uncompensated effort is defined as hours provided by personnel in excess of 40 hours per week without additional compensation for such excess work.
- (b) The offeror may include uncompensated effort in its proposed level of effort if:
 - (1) The offeror has an established cost accounting system, approved by the Defense Contract Audit Agency, which records all hours worked, including uncompensated hours, for all employees, and regardless of contract type.
 - (2) Uncompensated hours, for all employees and regardless of contract type, are included in the offeror's base for allocation of overhead costs.
 - (3) The proposal identifies hours of uncompensated effort proposed by labor category.
 - (4) The proposal identifies the amount of uncompensated effort which will be performed without supervision and without support personnel and assesses the productivity of such effort.
 - (5) The proposal describes the extent to which employees are required or encouraged to perform uncompensated effort and the impact the use of uncompensated effort has on work effectiveness.
 - (6) The proposal includes a copy of the corporate policy addressing uncompensated effort.
- (c) The above information must be provided for each subcontract which has uncompensated effort included in the proposed level of effort.
- (d) Any proposal which includes uncompensated effort in the proposed level of effort not in compliance with the above may be rejected.

SMALL BUSINESS SUBCONTRACTING PLAN (NAVSEA) (JUN 1999)

Offeror shall submit as part of its proposal a written proposed subcontracting plan in accordance with the clause entitled "SMALL BUSINESS SUBCONTRACTING PLAN" (FAR 52.219-9). The plan shall include the Congressionally mandated five percent (5%) goal for small disadvantaged business concerns or a detailed explanation as to why the goal cannot be included in the plan.

SUBSTITUTION OF PREVIOUSLY APPROVED SINGLE PROCESS INITIATIVE (NAVSEA) (MAY 1998)

Your proposal shall identify where you are substituting your previously approved Single Process Initiative (SPI) processes for specified requirements. In addition, offerors should provide the information required by DFARS 252.211-7005, paragraph (c).

USE OF NON-DEVELOPMENTAL ITEMS (NDI) (NAVSEA) (MAY 1993)

(a) Use of NDI is the preferred method of satisfying operational requirements of the Navy where such use does not degrade the operational or performance requirements. The term NDI means:

- (1) Any item of supply that is available in the commercial marketplace;
- (2) Any previously developed item of supply that is in use by a department or agency of the United States, a State or local government, or a foreign government with which the United States has a mutual defense cooperation agreement;
- (3) Any item of supply described in paragraph (1) or (2) that requires only minor modification in order to meet the requirements of the procuring agency; or
- (4) Any item of supply that is currently being produced that does not meet the requirements of paragraph (1), (2), or (3) solely because the item:
 - (i) is not yet in use; or
 - (ii) is not yet available in the commercial marketplace.

(b) Offerors are encouraged to propose NDI or partial NDI alternatives to conventional R&D or MIL-SPEC production hardware or software requirements of this solicitation at all levels of the work breakdown structure (i.e., end-item, sub-system, component, piece part, etc.). All proposed NDI alternatives shall be clearly identified in the proposal. The intent of the NDI alternative is to provide the Navy with effective and economic solutions to its essential operational requirements.

SPECIAL PROPOSAL RECEIPT REQUIREMENTS (NAVSEA) (SEP 2009)

(a) NAVSEA HQ is located at the Washington Navy Yard (WNY) where access is strictly limited in accordance with Naval District Washington (NDW) security regulations. It is recommended that proposals be mailed in accordance with RFP instructions. In the event you prefer to hand carry your proposal, ensure adequate time has been allowed by your representative to accommodate the additional security procedures. Detention at a NDW gate or failure to adhere to the

procedures provided herein will not be considered an exception to timely proposal delivery as addressed in FAR 52.215-1, Instructions to Offerors – Competitive Acquisitions.

(b) Offerors hand carrying proposals shall call the contracting officer or contract specialist at least 48 hours prior to arriving at the WNY to make arrangements. Offerors with proper credentials (CAC or NAVSEA badge) can enter the WNY via the Isaac Hull off M Street SE. Other offerors must go to the O Street Gate to obtain a pass from the WNY Pass Office. If driving a vehicle the vehicle must have valid DOD sticker or the offeror must go to the O Street Gate and obtain a vehicle pass from the WNY Pass Office. Vehicles entering NDW are subject to random searches. Packages should not be sealed as they are subject to inspection. Classified material shall be prepared in accordance with current security requirements. The contracting officer or contract specialist may receive the proposal and provide the offeror a receipt with the time and date of delivery.

(c) All offerors shall mark each RFP package with the name of the contracting officer and the contract specialist, their codes and phone numbers. In the event you have not been provided with this information contact the person listed in block 5 of the SF 26 or block 7 of the SF 33.

NOTIFICATION OF USE OF NAVY SUPPORT CONTRACTORS FOR OFFICIAL CONTRACT FILES (NAVSEA) (APR 2004)

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

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

(1) The support contractor not disclose any information;

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

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

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

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

(d) NAVSEA may, without further notice, enter into contracts with other contractors for these services. Contractors are free to enter into separate non-disclosure agreements with the file room contractor. (Please contact Director, E

Business Division for contractor specifics.) However, any such agreement will not be considered a prerequisite before information submitted is stored in the file room or otherwise encumber the government.

52.211-2 AVAILABILITY OF SPECIFICATIONS, STANDARDS, AND DATA ITEM DESCRIPTIONS LISTED IN THE ACQUISITION STREAMLINING AND STANDARDIZATION INFORMATION SYSTEM (ASSIST) (JAN 2006)

(a) Most unclassified Defense specifications and standards may be downloaded from the following ASSIST websites:

- (1) ASSIST (<http://assist.daps.dla.mil>);
- (2) Quick Search (<http://assist.daps.dla.mil/quicksearch>);
- (3) ASSISTdocs.com (<http://assistdocs.com>).

(b) Documents not available from ASSIST may be ordered from the Department of Defense Single Stock Point (DoDSSP) by--

- (1) Using the ASSIST Shopping Wizard (<http://assist.daps.dla.mil/wizard>);
- (2) Phoning the DoDSSP Customer Service Desk (215) 697-2179, Mon-Fri, 0730 to 1600 EST; or
- (3) Ordering from DoDSSP, Building 4, Section D, 700 Robbins Avenue, Philadelphia, PA 19111-5094, Telephone (215) 697-2667/2179, Facsimile (215) 697-1462.

(End of provision)

52.215-20 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA (OCT 1997)—ALTERNATE II (OCT 1997)

(a) Exceptions from cost or pricing data. (1) In lieu of submitting cost or pricing data, offerors may submit a written request for exception by submitting the information described in the following subparagraphs. The Contracting Officer may require additional supporting information, but only to the extent necessary to determine whether an exception should be granted, and whether the price is fair and reasonable.

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

(ii) Commercial item exception. For a commercial item exception, the offeror shall submit, at a minimum, information on prices at which the same item or similar items have previously been sold in the commercial market that is adequate for evaluating the reasonableness of the price for this acquisition. Such information may include--

(A) For catalog items, a copy of or identification of the catalog and its date, or the appropriate pages for the offered items, or a statement that the catalog is on file in the buying office to which the proposal is being submitted. Provide a copy or describe current discount policies and price lists (published or unpublished), e.g., wholesale, original

equipment manufacturer, or reseller. Also explain the basis of each offered price and its relationship to the established catalog price, including how the proposed price relates to the price of recent sales in quantities similar to the proposed quantities;

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

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

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

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

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

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

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

(End of provision)

52.216-1 TYPE OF CONTRACT (APR 1984)

The Government contemplates award of a Firm-Fixed-Price and Cost-Plus-Fixed-Fee contract resulting from this solicitation.

(End of provision)

52.233-2 SERVICE OF PROTEST (SEP 2006)

(a) Protests, as defined in section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the Government Accountability Office (GAO), shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgment of receipt from

COMMANDER
ATTN: JENNIFER L. THOMPSON, SEA 02511T
NAVAL SEA SYSTEMS COMMAND
1333 ISAAC HULL AVE SE, STOP 2040
WASHINGTON NAVY YARD, DC 20376-2040

(b) The copy of any protest shall be received in the office designated above within one day of filing a protest with the GAO.

(End of provision)

252.227-7017 IDENTIFICATION AND ASSERTION OF USE, RELEASE, OR DISCLOSURE RESTRICTIONS. (JUN 1995)

(a) The terms used in this provision are defined in following clause or clauses contained in this solicitation--

(1) If a successful offeror will be required to deliver technical data, the Rights in Technical Data--Noncommercial Items clause, or, if this solicitation contemplates a contract under the Small Business Innovative Research Program, the Rights in Noncommercial Technical Data and Computer Software--Small Business Innovative Research (SBIR) Program clause.

(2) If a successful offeror will not be required to deliver technical data, the Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation clause, or, if this solicitation contemplates a contract under the Small Business Innovative Research Program, the Rights in Noncommercial Technical Data and Computer Software--Small Business Innovative Research (SBIR) Program clause.

(b) The identification and assertion requirements in this provision apply only to technical data, including computer software documents, or computer software to be delivered with other than unlimited rights. For contracts to be awarded under the Small Business Innovative Research Program, the notification requirements do not apply to technical data or computer software that will be generated under the resulting contract. Notification and identification is not required for restrictions based solely on copyright.

(c) Offers submitted in response to this solicitation shall identify, to the extent known at the time an offer is submitted to the Government, the technical data or computer software that the Offeror, its subcontractors or suppliers, or potential subcontractors or suppliers, assert should be furnished to the Government with restrictions on use, release, or disclosure.

(d) The Offeror's assertions, including the assertions of its subcontractors or suppliers or potential subcontractors or suppliers shall be submitted as an attachment to its offer in the following format, dated and signed by an official authorized to contractually obligate the Offeror:

Identification and Assertion of Restrictions on the Government's Use, Release, or Disclosure of Technical Data or Computer Software.

The Offeror asserts for itself, or the persons identified below, that the Government's rights to use, release, or disclose the following technical data or computer software should be restricted:

Technical Data or Computer Software to be Furnished With Restrictions *	Basis for Assertion **	Asserted Rights Category ***	Name of Person Asserting Restrictions ****
(LIST) *****	(LIST)	(LIST)	(LIST)

*For technical data (other than computer software documentation) pertaining to items, components, or processes developed at private expense, identify both the deliverable technical data and each such items, component, or process. For computer software or computer software documentation identify the software or documentation.

**Generally, development at private expense, either exclusively or partially, is the only basis for asserting restrictions. For technical data, other than computer software documentation, development refers to development of the item, component, or process to which the data pertain. The Government's rights in computer software documentation generally may not be restricted. For computer software, development refers to the software. Indicate whether development was accomplished exclusively or partially at private expense. If development was not accomplished at private expense, or for computer software documentation, enter the specific basis for asserting restrictions.

***Enter asserted rights category (e.g., government purpose license rights from a prior contract, rights in SBIR data generated under another contract, limited, restricted, or government purpose rights under this or a prior contract, or specially negotiated licenses).

****Corporation, individual, or other person, as appropriate.

*****Enter "none" when all data or software will be submitted without restrictions.

Date _____

Printed Name and Title _____

Signature _____

(End of identification and assertion)

(e) An offeror's failure to submit, complete, or sign the notification and identification required by paragraph (d) of this provision with its offer may render the offer ineligible for award.

(f) If the Offeror is awarded a contract, the assertions identified in paragraph (d) of this provision shall be listed in an attachment to that contract. Upon request by the Contracting Officer, the Offeror shall provide sufficient information to enable the Contracting Officer to evaluate any listed assertion.

(End of provision)

ADDITIONAL INFORMATION

1.0 General Information

Do not submit a proposal in response to this draft RFP at this time. Changes are expected to be made before the final RFP is released which it is anticipated may affect any offer to be submitted. This draft RFP is being provided solely to solicit comments from interested parties which the Government will consider before releasing a final RFP. It is expected that the final RFP will be made available in November of 2009.

1.1 Program Background

The Government is seeking proposals for up to 9 AEGIS Weapon System MK82 Mod 0 Gun and Guided Missile Directors, including MK 200 Director Controllers and Related Support Items. The MK82 Director/MK200 Director Controller are key components of the AEGIS Weapons System used on DDG 51 Class Ships.

This draft Request For Procurement (RFP) is provided in advance of the regular solicitation package to present an opportunity for potential offerors to review the technical requirements and qualifications herein for consideration of participation as a prime or subcontractor to this offering to gain optimal understanding of the requirement as necessary. This offering is open as well to Small Business consideration in either a prime or subcontracting position; However, the following is provided to ensure all potential bidders are cognizant of the specific technical requirements, experience and skill levels required to support this requirement.

1.2 RFP and Contractor Furnished Documents

In response to the Government Request For Proposal (RFP), the Offeror's proposal will include the following to be incorporated into the resulting contract: Small Business Subcontracting Plan and a proposed list of Rent Free Use Property

1.3 Use of Navy Support Contractors

Government Support Contractors may assist the Source Selection Organization. The Source Selection Advisory Council (SSAC), Source Selection Evaluation Board (SSEB), and Cost Assessment Board (CAB) will be composed of Government employees. The Government Support Contractors may participate as Advisors to the SSAC, SSEB and CAB and/or administrative assistants. The Offeror shall enter into non-disclosure agreements with all Contractor organizations participating in this source selection, and provide copies of any such agreement(s) to the Contracting Officer prior to proposal submittal. A list of the Contractor organizations that may participate in some aspect of source selection is as follows:

The following firms may assist in the technical proposal evaluation process in an advisory capacity only and may provide administrative support to the source selection process, but will not evaluate proposals:

<u>Company Name</u>	<u>Areas of Expertise to be used</u>
Alion Science and Technology	System Production Engineering
Technology Service Corporation	System Production Engineering
Systems Engineering Group, Inc.	System Production Engineering

PEO IWS 1PR2 presently has organizational conflict of interest clauses as well as proprietary data protection clauses in the Navy's contract with Alion. Please provide written notification to the PCO no later than 14 days after issuance of the RFP stating that the Offeror consents or does not consent to the use of each of the firms listed above in the proposal evaluation process. Submission of a proposal without such objection will be considered as consent to the specified use of each of the firms listed above.

1.4 Point of Contact

Unless otherwise specified, the Naval Sea Systems Command Contracting Officer is the sole point of contact for this acquisition.

2.0 Proposal Format

2.1 General Content

A proposal submitted in response to the RFP must contain a complete description of all pertinent aspects of the effort proposed by the Offeror. Offerors are required to submit a proposal encompassing all items listed in Section B of this RFP. The proposal must be sufficiently detailed and complete to demonstrate an understanding of and the ability to comply with the requirements specified in this RFP. The proposal should demonstrate such understanding and ability in a concise, logical manner, and should not contain superfluous material that is not directly related to this acquisition. General statements such as: “the Offeror can or will comply with the requirements,” “standard procedures will be used,” “well known techniques will be used,” or statements that paraphrase the requirements of this solicitation in whole or in part will not constitute compliance with these requirements concerning the content of the technical proposals. Discussions of each topic in the proposal should exhibit continuity and logical progression. Offerors should not assume that data previously submitted or presumed to be known by the Government will be considered as part of the proposal, unless physically incorporated therein. Failure to conform to the requirements of this RFP may form the basis to reject the proposal.

A legible, neat, orderly and comprehensive proposal is required. Elaborate brochures, artwork, expensive paper and bindings, or expensive visual or other presentation aids beyond those sufficient to present a complete and comprehensive written proposal are unnecessary. The use of brochures is not desired and if used will be included in the page count.

The Offeror shall submit all information required by this RFP. Failure to comply with the terms and conditions of the RFP may result in the Offeror being removed from consideration for award. The Offeror’s proposal shall be based on the requirements contained in this RFP (including those documents, exhibits, and other attachments to the RFP identified in Section J). Offerors are required to submit a proposal encompassing all items listed in Section B herein.

If discrepancies are present in an offer received by the Government, the Government reserves the right to assume the worst case and score the offer accordingly. It is the Offeror's responsibility to ensure there are no discrepancies presented within the information contained in his offer.

2.1.1 Solicitation Availability

RFP information and amendments will be made available through the INTERNET at <https://www.neco.navy.mil/> and <https://www.fbo.gov>. The cognizant NAVSEA contract specialist can be contacted via e-mail at john.jeffrey@navy.mil.

Although NAVSEA will make the RFP and amendments available electronically on the INTERNET, proposals in response to this RFP WILL NOT be accepted via electronic transmission. Only hard-copy proposals submitted in accordance with Section L of this RFP will

be accepted. Any proposals received electronically will be deleted and will not be available for NAVSEA review or consideration.

Any amendment to this solicitation shall be provided by the PCO to potential Offerors, with an extension of the due date for proposal submission, if appropriate.

Offerors are hereby notified that from time to time, the Government may post additional information to the web site relating to this solicitation (e.g. responses to questions, amendments, etc.). It is the Offeror's responsibility to check the web site for any such information.

2.1.2 Solicitation Questions / Clarification

Offerors may electronically submit written questions requesting clarification of solicitation requirements by sending an email to John Jeffrey at john.jeffrey@navy.mil. All such questions should be received in writing within fourteen (14) days after release of the draft RFP to allow the Navy adequate time to prepare and issue responses to all Offerors prior to the date and time set for receipt of proposals. Only questions transmitted electronically will receive a response. The Navy will continue to accept questions up to the closing date and time of the solicitation; however, time may not permit responses to be issued prior to proposal receipt. Questions received after the time set forth above will not result in an extension to the proposal due date. It is the Government's intention that questions and responses will be distributed electronically to all Offerors. Information provided with each question should include the document name, document date, specific page, paragraph, clause or other definitive citation requiring clarification.

2.1.3 Solicitation Security Classification

The solicitation is unclassified and therefore the proposal shall be unclassified.

2.2 Proposal Cover Letter

The proposal shall be accompanied by a cover letter prepared on the company's letterhead stationary to serve as a transmittal document. The cover letter shall identify all enclosures being transmitted, and shall list all subcontractors identified in the Offeror's proposal. No cost/price information or other proposal information shall be included in the forwarding letter.

2.3 Proposal Volume Format

The proposal shall be submitted in volumes, subject to the page limitations and number of copies indicated below. The page limitation must be strictly observed. Pages in excess of the page limit may not be read or evaluated. Page limitations will be determined from submitted hardcopies. It is not necessary to supply the maximum number of pages allowed for each volume; fewer pages may be submitted. Information presented shall appear in the same order as outlined below:

<u>VOLUME</u>	<u>TITLE</u>	<u>PAGE LIMIT</u>	<u>PAPER COPIES</u>	<u>CD-ROM COPY</u>
Volume IA	Schedule and Risk Management	10 Pages	3*	2*
	Appendix A Integrated Management Plan (IMP) Integrated Master Schedule (IMS) Work Breakdown Structure (WBS)	Unlimited	3	2
Volume IB	Technical Approach Appendix B Resumes	40 Pages 2 Page Limit Each	3*	2*
Volume II	Past Performance	5 examples 2 Page Limit Each	3	0
Volume III	Price Proposal	Unlimited	3	2

Notes:

* Provide a copy of IMP, IMS, and WBS as Appendix A with Volume IA and Resumes are to be provided as Appendix B with Volume IB. These attachments and response are excluded from the page limitation. See section 2.6 for instructions on electronic copies.

Each proposal volume shall contain a cover page, table of contents and a glossary of abbreviations used. Tabbed dividers shall be inserted between sections of paper copies. The proposal cover pages, tables of contents, glossaries of abbreviations, matrices, tabbed dividers, title pages and other materials specifically cited as excluded shall not be included in the page count.

Information requested in the paragraphs below shall be provided in the volumes indicated. If additional information is provided in other sections, reference shall be made to those sections where the additional information can be found; otherwise, the information will be omitted. Failure to provide the requested information may adversely affect proposal evaluation.

In the event that any portion of the proposal is written by someone who is not an employee of the Offeror submitting the proposal, a certificate to this effect shall be signed by a responsible officer of the Offeror.

2.4 Page Size and Format

The narrative material in the proposal shall be one and one half spaced, typed or printed in Times New Roman font with type no smaller than 12 point. Paper shall be 8-1/2 X 11 inches (standard size) with a minimum margin of 1 inch around the page. Any typed narrative included on graphics pages may not be smaller than 8 point.

Information shall be presented on **single-sided** pages only and in a single column on each page (Refer to Section I, FAR 52.204-4). Photo reduction of material other than graphs and drawings is prohibited.

Foldouts may be used for tables, figures, charts and graphs where necessary for non-narrative discussion illustrating items such as organization, layout or implementation schedules. Foldouts should be uncomplicated to preserve clarity. Extensive written text or tabular data, beyond that reasonably required for clarity, shall not be included in the material presented on the foldout sheet. Foldout pages shall fold entirely within the volume and shall be limited in size to no more than two (2) standard size pages. Such foldout pages will be regarded as a single page for page-count purposes.

2.5 Binding and Labeling

Each volume shall be separately bound in a three-ring binder, which shall permit the volume to lie flat when open. Staples shall not be used. The company name and the RFP number shall appear at the top of each page of the Offeror's proposal. A cover sheet should be bound in each book, clearly marked as to volume number, title, copy number, solicitation number and the Offeror's name, address, point of contact and point of contact telephone number. Volume number, title, copy number, solicitation number and the Offeror's name should be placed on the spine of each binder. Be sure to apply all appropriate markings and colors including those prescribed in FAR 52.215-1(e), Restriction on Disclosure and Use of Data, and 3.104-5, Disclosure, Protection, and Marking of Contractor Bid or Proposal Information and Source Selection Information.

2.6 Instructions on Electronic Copy of Volumes I and III

The Offeror shall furnish required electronic copies on CD-ROM discs. Discs shall contain only MICROSOFT WORD 2003, EXCEL 2003, Adobe Acrobat 9.0, POWERPOINT 2003 or PROJECT 2007 files. File names should clearly convey the volume number and contents. The Offeror shall screen all discs for computer viruses prior to submittal to the Government. The discs shall contain no embedded sound or video files. Discs shall be labeled to indicate Offeror's name, Solicitation number, and associated volume number. There will be no password protected documents. Spreadsheets and tables produced by spreadsheets shall be provided as EXCEL 2003 files. All EXCEL 2003 files provided will be unlocked with all equations included and viewable.

Two complete sets of CDs shall be provided, one marked "MASTER" and the other marked "BACKUP" for Volume IA (Schedule and Risk Management), Volume IA (Appendix A), Volume IB, and Volume III. The discs shall be labeled to indicate the Offeror's name, the solicitation number, date of submission, appropriate security classification markings, format, and associated volume number. Graphics, tables, photographs, and other data beyond the capability of Microsoft Word, Microsoft Power Point, Microsoft Project or Microsoft Excel in currently NMCI supported applications may be submitted in Adobe Acrobat format.

2.7 Time and Date of Proposal Submissions

All copies of all proposal volumes (including electronic copies) shall be submitted at the place and at or before the time specified in Block 9 of the SF 33. The Offeror shall submit the volumes in both paper format and as electronic files on CDs at the specified time and place.

2.8 Special Proposal Receipt Requirements

NAVSEA is located at the Washington Navy Yard (WNY) where access is strictly limited in accordance with Naval District of Washington (NDW) security regulations. It is recommended that proposals be mailed in accordance with RFP instructions. In the event a company prefers to hand carry the proposal, ensure adequate time has been allowed by the company representative to accommodate the additional security procedures. Detention at a WNY gate or failure to adhere to the procedures provided herein will not be considered an exception to timely proposal delivery as addressed in FAR 52.215-1, Instructions to Offerors – Competitive Acquisitions.

Offerors hand carrying proposals shall call the Procuring Contracting Officer at least 48 hours prior to arriving at the WNY to make arrangements. Offerors can wait at the Isaac Hull Gate to meet the escort. Packages should not be sealed as they are subject to inspection. The Procuring Contracting Officer will receive the proposal and provide the Offeror a receipt with the time and date of delivery.

All offers should be marked as follows:

Commander
Naval Sea Systems Command
ATTN: Jennifer L. Thompson, Procuring Contracting Officer, Code 02511T
1333 Isaac Hull Avenue, SE Mail Stop 2040
Washington Navy Yard, DC 20376-2040
RFP N00024-10-R-5114
DO NOT OPEN IN MAIL ROOM

Additional electronic copies of the cost volume of the Offeror's proposal shall also be submitted in parallel to the Offeror's cognizant DCAA office and the Administrative Contracting Officer (ACO). Subcontract cost information shall be submitted directly to the Subcontractor's cognizant DCAA office.

3.0 PROPOSAL REQUIREMENTS

This section delineates general information and requirements to be followed in the preparation of the Offeror's proposal. If an Offeror fails to comply with the content requirements, this will be considered during evaluation and the proposal may not be considered.

An Offeror's proposal shall be sufficiently detailed to enable Government evaluation board members to make a thorough evaluation and to arrive at a sound determination as to whether or not the prospective Offeror will be able to perform in accordance with the stated requirements.

The Offeror's proposal shall be so specific, detailed and complete as to clearly demonstrate that the Offeror has a thorough comprehension of the total technical requirements, including compliance with the descriptions, specifications, and requirements of Section C and Attachment A of this solicitation, and all other requirements contained in the solicitation.

General statements like "the Offeror understands the method for performing the Systems Engineering efforts (or any portion thereof) and can or will comply with the requirements of the solicitation" will be considered inadequate, as will generic statements such as "straight forward engineering techniques" and the "highest quality control procedures."

The proposal must be sufficiently complete as to clearly demonstrate that the Offeror understands the MK 82 Director and MK 200 Director Controller equipment, its architecture, communication protocols, interface definitions and how the Offeror proposes to comply with the requirements of the RFP.

The Offeror's proposal must contain a precise description of all terms and conditions of the services offered and must address all topics described below. The information provided in the proposal shall appear in the same order as outlined herein.

VOLUME IA – SCHEDULE AND RISK MANAGEMENT FACTOR

Schedule Management Approach

The Offeror shall provide an Integrated Management Plan (IMP) and an Integrated Management Schedule (IMS) demonstrating its ability to meet the schedule, management, and deliverable requirements of Attachments A and B. The IMP and IMS shall be included in Appendix A to the Offeror's proposal. The Offeror shall describe how the production facility supports the IMP and IMS and how the schedule required by the solicitation will be accomplished. A milestone chart shall be included showing all required reviews, deliveries of hardware, documentation and identifying key events in the schedule. The schedule shall include a Production Readiness Review (PRR). Any critical events shall be identified, as well as any long lead-time procurements. Causes for possible slips in schedules and contingency plans shall be discussed. The Offeror shall provide evidence of standard processes and procedures that are fully implemented, any special or innovative processes and procedures planned to meet the requirements of the RFP, and supporting quality assurance procedures and organization. As part of the Schedule Management Approach, Offerors are expected to identify any vendors they intend to use that are not the qualified vendor of a source-controlled item and ensure that they address potential schedule and cost impacts arising from the use of non-qualified vendors.

The Offeror shall provide an overview of the networked IMS including ground rules and assumptions such as: 1) current or proposed schedule management system and how it will be used to plan, coordinate, integrate, control and manage the schedule of the program including the plan for electronic data transfer of schedule information to the Government; 2) the calendar(s) submitted in the IMS file (a listing of company holidays should also be included); and 3) all text and other fields created by the Offeror in the IMS.

If relationships with large lead or lag times cannot be avoided, they must be explained in this section. Activities with duration greater than 125 workdays should be explained. An explanation of constraints (other than "as soon as possible" or "as late as possible") and directed dates shall be included.

Risk Management Approach

The Offeror shall address their risk management processes, identify technical and schedule risks and risk mitigation strategies. The risk management approach should capture risks across all project disciplines, e.g. (management, long lead material, testing, manufacturing, etc.). The Offeror shall provide a Work Breakdown Structure (WBS) demonstrating how it will meet the schedule, management, and deliverable requirements of Attachments A and B. The WBS shall be included in Appendix A to the Offeror's proposal. The Offeror shall describe how it will utilize its proposed WBS to manage and mitigate risk in performing the requirements of the RFP.

APPENDIX A: Integrated Management Plan (IMP), Integrated Management Schedule (IMS), and Work Breakdown Structure (WBS)

The Offeror shall construct an IMP using Microsoft Word, an IMS using Microsoft Project, and a WBS using Microsoft Word. The IMP and the IMS shall provide an integrated understanding of the proposed program and clearly demonstrate the program is structured to be executable within schedule and with acceptable risk. A direct and traceable correlation should exist between events in the IMP and IMS. In turn, the IMP and IMS should correlate with the SOW and WBS. The Offeror shall use a calendar consistent with the company's work schedule. The Offeror shall identify each activity in the schedule with the appropriate organizational or functional code in the MS Project Text1 field (e.g., SW=Software Design, Integration, and Testing; LOG=Logistics).

Integrated Management Plan (IMP)

The IMP shall be an event-oriented representation of integrated product development activities. Each activity should contain all appropriate functional disciplines and must address all requirements and significant accomplishments necessary to meet the SOW requirements. The IMP shall include, but not be limited to:

- (a) Any assumptions/guidelines and a dictionary of definitions for selected events and action verbs used within the accomplishment criteria.
- (b) Listing of all Events, Significant Accomplishments, and Criteria. Events of particular interest to the Government include, but are not limited to:
 - (1) Long Lead Items Purchase Orders
 - (2) Complex Items Purchase Orders
 - (3) Production Readiness Review
 - (4) First System Assembly and Inspection
 - (5) Test Events
 - (6) Unit Delivery
 - (7) Physical Configuration Audit (PCA)
 - (8) Final Configuration Audit (FCA)
- (c) Description of the purpose, expected results and proposed contractual closure criteria for each event.

The IMP is not a schedule, but a list of "events," (initiation or conclusion of major intervals of program activity), "significant accomplishments" (the event closure criteria), and associated completion "criteria" (definitive measures of accomplishment) describing the necessary work effort. The IMP is a description of how the program will be accomplished.

Integrated Master Schedule (IMS)

The IMS shall provide an extension of the information contained within the IMP. The IMS shall reflect events, accomplishments, and criteria identified in the IMP. Each criterion shall be supported by a sufficient level of detail to demonstrate rigorous schedule management, identification of task interdependencies, and insight through use of critical path analysis. The IMS should not attempt to cover every possible program task, but to describe a realistic and supportable schedule consistent with the IMP.

The Offeror shall provide an IMS network schedule with a start date of 01 June 2010. The IMS network schedule shall highlight the critical path. Events of particular interest to the Government include, but are not limited to material procurement and receipt, production readiness review, component testing, factory acceptance testing, and delivery of the units. All network schedule information shall be consistent with and traceable to the IMP. Multiple IMP accomplishments and criteria may be logically combined into single IMS activities and vice versa.

The IMS network schedule shall only contain a sufficient number of activities to provide a detailed understanding of the program and risk mitigation activities to support the risk mitigation strategy. Level of effort tasks and relationships with excessive lead or lag time should be avoided.

The Offeror shall provide legible hard copies of the program schedule in the following three formats: (a) Gantt chart, (b) network plot which legibly reflects all activities and their relationships and (c) tabular format containing the following data (if applicable) for each event, activity, task, and milestone in the IMS:

- (1) ID
- (2) IMP Reference/Code (Text1 field)
- (3) Name
- (4) Start
- (5) Finish
- (6) Duration (most likely)
- (7) Total Slack
- (8) Predecessors
- (9) Successors
- (10) Constraint Type
- (11) Constraint Date
- (12) WBS (Text2 field)
- (13) Risk Element (Text3 field)
- (14) SOW Reference (Text4 field)

The Offeror shall provide tracking to the text fields used if they did not correspond to the assigned text fields as identified above.

Work Breakdown Structure (WBS)

The Offeror shall provide a WBS, as Appendix A to Volume IA. Key components shall be presented to the Fourth Level. All other components shall be presented to the Third Level using the format found in Appendix 1 of this section.

VOLUME IB – TECHNICAL APPROACH FACTOR

The Offeror shall describe its proposed approach to meet the deliverable requirements and how the approach supports the IMP and IMS. Offerors may expand on or include text in addition to the required contents, provided that it is relevant to the evaluation of the proposed approach factor. In describing its proposed approach, where applicable, the Offeror shall reference contractual documents (e.g., SOW, IMP, and WBS) that capture the Offeror's approach.

Volume IB shall be organized as follows:

- (1) Organization and Personnel
- (2) Technical Data Package
- (3) Facilities
- (4) Production and Testing
- (5) Technical Capability

SECTION 1–Organization and Personnel

The Offeror shall address company and program organization as it pertains to this procurement. The Offeror shall include a clear, brief description of the corporate/company organizational structure. The Offeror shall include the following:

- (a) An organizational chart showing the corporation/company structure, proposed program organization, and proposed production and manufacturing organization with emphasis on the relationship to the over-all organization. This organization chart shall be supplemented by discussion that elaborates upon lines of communication between key personnel within and between all functional areas.
- (b) A geographic location of all program-related organizational units including subcontractors. A description of the program organization and management capabilities to accomplish the contractual obligations, and provide scheduling and planning for the development, fabrication, test, subcontracting, purchasing and manufacturing.
- (c) A description of the internal and external project interfaces including subcontractors or team members.
- (d) A description of the responsibilities and authority of the key personnel.
- (e) Describe the overall interaction of management, quality control, manufacturing and engineering personnel in the production of units.

(f) Describe how it will communicate program status, schedules, reports, and supporting documentation within the team and with the Government. This should include discussion and intent of using an independent data environment or virtual network.

(g) The Offeror shall discuss how it will manage its subcontractors to ensure their products are delivered on time and within budget, and are of sufficient quality to enable the Offeror to meet all contractual requirements. The Offeror shall discuss its approach toward Subcontracting and its relationship toward achieving the overall objectives of the resultant contract, specifically as it relates to the technical performance attributes for the System, the Advanced Processing Build and collaborative development environment. The Offeror should limit planned subcontracting to specific program/system or functional expertise or otherwise technically meaningful and sustainable work requirements under the resultant contract. Discussion should include contractual arrangements, qualification requirements, selection process(es), contingency plans, and management interactions. It should be noted: the Government views subcontractor arrangements with a certain amount of risk. Prime/Subcontractor “guaranteed work share” arrangements could potentially hinder performance over the course of the period of performance with the uncertainties evolving through advanced development. Identify the critical subcontractors or subcontracts with unit price greater than or equal to \$2,000, that the Offeror considers critical to satisfying the contract requirements. Describe the subcontractor management process with focus on the following:

- (1) How the Offeror will ensure subcontractor processes are integrated across all disciplines,
- (2) Communications
- (3) Incentives
- (4) Resolution of issues, risks, and problems.

(h) Provide resumes for key personnel, as Appendix B to Volume IB. Key personnel shall, at minimum include: the Program Manager, the Production Manager, the Test Manager, and the Lead Engineer. Resumes shall include name, title(s), relevant education, relevant experience and qualifications (including previous assignments).

(i) Identify specific qualifications and certifications for key personnel particular to demonstrated expertise in related engineering programs requiring extreme precision and tolerances in production and testing.

(j) At a minimum for any Key Personnel, and for other individuals the Offeror deems relevant, who do not currently work for the Offeror or major subcontractor, the Offeror shall provide documentary evidence of the individual’s availability to support these requirements (e.g., work agreements, contracts, letters of intent).

(k) In addition, supplemental information regarding labor category definitions should be included in this section.

(l) The Offeror shall provide either excerpts from its Position Description Manual or details of its qualifications for Labor Categories or Labor Category Descriptions proposed.

(m) Copies of any agreements and letters of intent regarding parent corporation, company, subsidiary relationships and subcontractors or teaming agreements (see FAR Subpart 9.6), including terms and conditions shall be included. For subcontractors proposed to meet the Small Business Subcontract Goals, other information necessary to determine whether the commitments to such business concerns is enforceable shall be provided.

(n) The Offeror shall provide a description of processes to be used during systems engineering. The Offeror shall describe the technical approach toward managing efforts to preclude duplication of efforts and to maximize “re-use” within every functional discipline, subsystems, systems, systems of systems and family of systems. The description should describe the relationship, communication flows and any dependencies, assumptions, and agreements (if any) necessary to execute tasks required to support the collaborative development environment under the contract.

(o) A discussion of any deviation from the Offeror’s standard practices for labor category assignment and the Offeror’s submittal.

(p) A description of the program organization and management capabilities to accomplish the contractual obligations, and provide scheduling and planning for the development, fabrication, test, subcontracting, purchasing and manufacturing. If teaming is applicable, expand the management organizational chart and discussion requested above to illustrate the working levels of internal and external interfaces among subcontractors and team members.

(q) A description of Cost, Performance, and Schedule metrics that will be generated and reported to the Government on a monthly basis during the execution of this contract.

(r) A discussion of the Offeror’s ability to move people onto and off tasks, and between tasks as tasks start and stop over time.

SECTION 2—Technical Data Package

The Offeror shall demonstrate technical experience in developing, manufacturing, and delivering similar systems as it relates to their ability to meet all of Section C and Attachment A and B. requirements. Subcontractors, who are tasked with delivering critical system components, shall be required to demonstrate the same level of technical experience as it relates to the specific component being provided to the Prime. The Offeror shall discuss how the technical approach represents a complete understanding of the Technical Data Package and demonstrates the Offeror’s ability to meet all requirements of Section C and Attachment A and B.

SECTION 3—Facilities

The Offeror shall demonstrate adequate design, development, testing, and manufacturing capability, capacity for the production of the proposed system, engineering support, and testing

facilities. The Offeror shall discuss how it will ensure that production problems will be minimal and that high quality systems will be delivered to the Government on schedule and within cost. The Offeror must describe and discuss the facilities in the context of specific plans for this particular production contract. The proposal shall describe the physical inspection and storage facilities for incoming materials and vendor supplied items; assembly areas; facilities for performing critical processes and procedures; and development and production test and inspection stations. The Offeror shall propose the layout of space and provide a diagram showing square footage for this specific program and assure the availability of the facilities to meet the Government's delivery schedule.

Items of particular interest to the Government that should be available at the facility should include, but are not limited to:

- (a) Provide adequate barrette installation that is seismologically isolated to ensure proper AEGIS System Acceptance Testing. For example, current test barrette foundation measures 12 feet by 12 feet by 6 feet of deep isolated reinforced concrete. NOTE: the actual depth of the foundation is dependent on the soil composition at the facility site.
- (b) Provide facility with sufficient access clearance and overhead lift capability to ensure system handling and movement. This should include an overhead crane (4 Ton capacity minimum); floor to hook of crane height (24 feet minimum); base on test barbettes mounted at floor level; entrance opening (10 feet wide by 16 feet high minimum); alternate loading for shipment, without an overhead crane, may be done with a fork truck with extended fork capacity of 4 tons.
- (c) Provide electrical power of 440V, 3 phase, 60hz.

The Government will schedule site visits to the facilities identified in all Offerors' proposals during the ten (10) business days immediately following the proposal submission date.

SECTION 4—Production and Testing

Production

The Offeror shall provide their plan for producing items identified in SECTION B. This plan may be evaluated and verified via a pre-award survey and an Offeror site visit. The Offeror shall address the following:

Manufacturing Plan

The Offeror shall provide an overall plan for manufacturing units that meet requirements of the SOW, Factory Acceptance Test, and delivery schedule. The plan shall refer to the IMP and IMS as appropriate and should include a manufacturing flow chart presented to demonstrate usage of the Offeror's facilities. The plan shall include references to all manufacturing, quality control, process control procedures, configuration control, product control, metrics, and other established procedures. Offeror manufacturing plans shall be provided from subcontractors that are to provide the below listed key system components:

- (1) Sector, Data, and Drive Gears
- (2) Train Tower
- (3) Elevation Shaft
- (4) MK 200 Director Controller

In addition, the Offeror shall:

- (a) Discuss any Calibration, Test, Measurement, and Special Equipment to be used to support the manufacturing and test processes.
- (b) Describe the operation of its Material Review Board, including, but not limited to, functional board membership and material disposition (e.g., rework, repair, use-as-is, etc.), failure review and corrective action processes.
- (c) Describe how monitoring, procurement, and management of DMS items will be executed.
- (d) Describe the approach to long lead items.
- (e) Describe component make or buy decision process.

Hardware Management Process

The Offeror shall describe its hardware management process proposed for this effort and how this process integrates with other proposed processes. The description should cover all proposed processes, whether employed by the prime Offeror, subcontractors, or other team members. The description should demonstrate the maturity of the proposed processes.

Quality Assurance The Offeror shall discuss implementation of the requirements outlined in Attachment A2 of the Solicitation.

Configuration Management The Offeror shall discuss implementation of the requirements outlined in Attachment A3 of the Solicitation.

Environmental Stress Screening The Offeror shall discuss implementation of the requirements outlined in Attachment A4 of the Solicitation.

Program Reliability and Maintainability The Offeror shall discuss implementation of the requirements outlined in Attachment A5 of the Solicitation.

AEGIS Standardization Program The Offeror shall discuss implementation of the requirements outlined in Attachment A6 of the Solicitation.

Operator Training/Certification The Offeror shall describe its overall operator training certification program that insures all operators/inspectors have sufficient training to successfully perform their operations, and that operators/inspectors performing critical processes requiring certification, are certified.

Testing Offeror shall describe the test strategy to be used. The test strategy shall include component testing and acceptance criteria for components received from subcontractors. The test

strategy should include execution of the Factory Acceptance Test and other testing procedures contained in the Technical Data Package. These will be the Government acceptance criteria for each unit delivered.

SECTION 5—Technical Capability

Offeror shall demonstrate that it has experience and capability in fabricating, and test expertise, for systems of similar scope and complexity, and with similar functional performance, to the system described under this RFP. The offeror shall demonstrate through its experience with other programs that the company can attain the required level of sensitivity in performing tests for verifying the traverse, elevation and cross traverse space rate, servo loop accuracy with associated rate gyro stabilization accuracy to the specific test requirements. Offeror shall demonstrate its experience in identifying, addressing, and developing resolution plans for technical problems that surfaced in its prior experience working on similar systems.

VOLUME II – PAST PERFORMANCE FACTOR

Offerors shall submit the requested past performance information in the format specified. Appendix 2 of this section provides the Customer Questionnaires.

Contract References

Offerors should cite and detail their similar production experience so that it can be verifiable. The Offeror shall provide a list of up to 5 relevant contracts and subcontracts performed during the past five years of similar work scope or technical complexity to the efforts described herein and a list of all contracts terminated for any reason within the last five (5) years. The similarity of the past work to requirements of the work described in this solicitation will be considered in evaluating any past performance. In addition to contracts and subcontracts performed by the Offeror, contracts and subcontracts of an acquired company, division, or subsidiary shall be identified. The Offeror should place particular emphasis on DoD or Navy contracts and subcontracts. If the Offeror did not perform similar production projects during the last five years, expand the time frame backward three (3) years, or discuss other related projects which demonstrate the Offeror's capabilities to perform work of similar nature and magnitude. Offerors are advised that (1) the Government may contact any or all references listed in the proposal and other third parties, unreferenced customers, agencies, contractors, consumer protection organizations, etc. for performance information; or use any other data available, (such as, Contractor Performance Assessment Reporting System (CPARS)); (2) the Government reserves the right to use any such information received as part of its evaluation of the Offeror's past performance; and (3) if the Offeror omits projects of which the Government evaluation team is aware or becomes aware, customer assessments may be sought from the relevant organizations.

The description of work similar to the requirements of this solicitation in terms of technology, type of effort (manufacturing, fabrication, assembly, and testing), contract scope, schedule and risk should be relevant to the following areas:

- Manufacture, fabrication, assembly of Guided Missile Directors,
- Design, manufacture and test of Guided Missile Directors , and
- Testing of Guided Missile Directors

For each listed contract, the Offeror shall prepare a synopsis that includes a narrative self-assessment of the contract and specific details describing why the contract was, or was not, successful; each synopsis shall be in the following format:

(a) Contract number.

(b) Customer's name, address, telephone number, and a point of contact (whether Government or Commercial), and whether the Offeror was the prime contractor or a subcontractor. Examples of POCs are a DCMA Administrative Contracting Officer or Program Integrator (PI), a

Government Contracting Officer's Representative (COR) or Government Program Manager (PM).

(c) Contract type.

(d) Cost Information:

(1) For Cost Reimbursable Type Contracts: For CPIF contracts, identify the initial contract target cost, cost at completion (or current estimate at completion), minimum fee and earned (or anticipated) fee; for CPFF contracts, identify the initial estimated cost, fixed fee, cost at completion (or current estimate at completion), and effective/earned fee; and for CPAF contracts, identify initial estimated cost, award fee pool, award fee scores, earned fee, and cost at completion (or current estimate at completion).

(2) For Fixed Price Type Contracts: Initial award price, and the final price at contract completion; separately identify the initial and final prices of contract changes awarded during performance of the contract.

(e) Period Of Performance. Identify the date of contract award. Identify hardware items delivered or to be delivered, the required delivery dates stated at contract award, the latest modified delivery date as stated in the contract, and the actual or anticipated delivery dates. If any hardware was delivered later than the contractually required delivery dates or if the contractually required delivery dates were re-negotiated or restated for any reason, explain the circumstances causing the late delivery or the restatement.

(f) Brief product description, including quantities, hours, and stage of acquisition (i.e., development or production).

(g) Self Assessment. The Offeror shall provide a self assessment of its performance under each contract identified above. The self assessment shall address (i) the quality of the products and/or services, (ii) the timeliness of performance, (iii) control of cost, and (iv) customer satisfaction. Cost growth, material problems, manufacturing problems, quality problems, labor problems, facility problems, and delivery delays should be disclosed and fully explained. The Offeror shall demonstrate how it was able to resolve (or why it could not resolve) special or unexplained problems as well as difficulties in meeting delivery schedule, performance, or cost parameters. Emphasis shall be placed on the Offeror's ability to solve problems associated with critical testing, quality control, and production. Furthermore, the Offeror shall indicate any quality awards or recognition received.

(h) Small Business Utilization (Not applicable to Small Business Concern Offerors): The Offeror shall describe the extent to which it has achieved its small/small disadvantaged business utilization and other applicable goals (see Small Business Participation section) during its prior contracts. SF 294s for relevant completed and ongoing contracts for the past 3 years must be included in the information provided. If the goals were not achieved, the Offeror shall explain why these goals were not achieved.

(i) Customer Questionnaires: The Offeror shall request Customer questionnaires to be completed for each described contract. The questionnaires will be submitted directly to the PCO's representative. Questionnaires should prescribe to the following format requirements of Appendix 2 to this section. When submitting customer questionnaires, Offerors should submit requests via E-Mail where possible with a copy to:

Electronic Mail (E-Mail): John.Jeffrey@navy.mil

If E-Mail submissions are not possible copies should be sent to:

Commander, Naval Sea Systems Command
ATTN: John Jeffrey /Code 02511E
1333 Isaac Hull Avenue SE Stop 2040
Washington Navy Yard, DC, 20376-2040

The Contracting Officer reserves the right to consider any surveys received after the due date and to contact those offices that do not respond to the survey. Non-responses will not affect the Offeror's past performance rating.

VOLUME III – PRICE PROPOSAL

Price Proposal Structure

The Price Proposal shall be organized as follows. Each section and subsection shall be titled and tabbed for easy identification.

Table of Contents

Glossary of Acronyms and Abbreviations

Section 3.1 Pricing Data Summaries

 Subsection 3.1.1 Section B Price

 Subsection 3.1.2 Pricing Data Summary – All CLINs by Major Cost Element

Section 3.2 Use of Existing Government Production and Research Property

Section 3.3 Factors Affecting Proposed Price

Section 3.4 Additional Information

Detailed requirements for each section and subsection follow:

General Requirements

A firm fixed price contract will result from this solicitation. Proposals submitted on any other basis shall be considered ineligible for award.

The Price volume shall be organized as follows:

- TITLE PAGE
- COVER LETTER

The title page shall state the document number, title, name and serial number of the RFP, name of the Offeror, and, if the Offeror wishes to restrict its proposal, the legend permitted by FAR 52.215-1. The cover letter should be placed at the beginning of the Price Proposal/volume after the title page.

The price proposal submitted in response to this RFP shall be for a firm fixed-price (FFP) type contract. Prices offered shall be for the equipment identified in SECTION B of the RFP.

3.1 Pricing Data Summaries

The Offeror shall provide Pricing data summary and describe the basis of the supporting cost estimates including the assumptions and methodologies used to estimate each element of cost.

3.1.1 Section B Price

The Offeror shall submit Section B price using the format provided.

3.1.2 Pricing Data Summary – All CLINS by Major Cost Element

The Offeror shall provide a summary of the total proposed cost for all CLINS by Element of Cost in Then Year dollars or dollar values in terms of prices current at the time of purchase. The Offeror shall provide a cost report that breaks each CLIN into the following categories: (Contractor format for the requested information is acceptable as long as the contractor includes the item descriptions provided.)

(a) Material

- (1) Bill of Material
- (2) Material Overhead
- (3) Major Subcontracts
- (4) Other Subcontracts
- (5) Interdivisional Transfer
- (6) Indirects

(b) Non-Recurring Costs

- (1) Program Management
- (2) System Engineering
- (3) Indirects

(c) Recurring Costs

- (1) Direct Engineering
- (2) Production
- (3) Assembly
- (4) Testing
- (5) Travel
- (6) Indirects

(d) Shipping and Transportation

- (1) Other ODC's
- (2) Indirects

Subtotal

G&A

COM

Profit

Total Price

3.2 Uses of Existing Government Production and Research Property

The Government Furnished Property that the Government intends to provide for use in performing the work under this contract is listed in Attachment D. Any Offeror proposing to use existing Government production and research property in the performance of work under this solicitation, including but not limited to the Government Furnished Property identified in Attachment D, shall submit with its offer the following:

- (a) A list or description of all Government production and research property that the Offeror or its subcontractors propose to use on a rent-free basis. This list shall include property offered for use in this solicitation, as well as property already in possession of the Offeror and its subcontractors that is intended for use in the performance of work on this proposed contract.
- (b) Identification of the facilities contract or other instrument under which property already in possession of the Offeror and its subcontractors is held, and the written permission for its use from the Contracting Officer having cognizance of the property.
- (c) The dates during which the property will be needed for use (including the first, last, and all intervening months) and, for any property that will be used concurrently in performing two or more contracts, the amounts of the respective uses in sufficient detail to support prorating of the rent.
- (d) The amount of rent, for each piece of property requested, that would be otherwise allocable, as computed in accordance with FAR 45.403 (USE AND CHARGES). However, the Offeror shall not include in its cost/price proposal any such rental amount computed herein.

3.3 Factors Affecting Proposed Price

The Offeror shall address:

- (a) Date of the most recent Government audit that approved direct and indirect labor rates, G&A expense, and FCCM factors indicating auditing activity name and address and name and telephone number of the Defense Contract Management Command (DCMC) Administrative Contracting Officer (ACO) and the name of the Defense Contract Audit Agency (DCAA) Auditor.
- (b) Indicate the source of approval and the latest dates on which the Offeror had the following:
 - (1) An approved Accounting System;
 - (2) An approved Purchasing System; and
 - (3) A determination of adequacy on the Offeror's Disclosure Statement (if required) pursuant to FAR 30.202.
- (c) Indicate any pending union contract expirations, mergers or planned business acquisitions.
- (d) Provide any cost assumptions.

4.0 Transmission of Proposal

4.1 Proposal Delivery

The proposal should be mailed to the following address. Hand delivery of proposal is discouraged and must be performed in conformance with the Section L provision under section 2.8. Proposals shall be submitted to the place and at or before the time specified in Block 9 of the Standard Form 33.

Naval Sea Systems Command

1333 Isaac Hull Avenue

Attn: Jennifer L. Thompson, Procuring Contracting Officer, Code 02511T

Room 5W-2235

Washington Navy Yard, DC 20376-2040

and shall be marked: RFP N00024-10-R-5114

DO NOT OPEN IN MAIL ROOM

5.0 Appendices

Appendix 1 – Work Breakdown Structure (WBS) - To be provided by the Offeror (Work Breakdown Structure Example provided)

Appendix 2 - Customer Questionnaires – To be completed and directly transmitted by the Point of Contact to the Government (Instructions and Survey Form provided for Offeror to initiate as required)

APPENDIX 1: WORK BREAK DOWN STRUCTURE (WBS) EXAMPLE

Instructions to Offeror: The Offeror shall develop a WBS and submit to the Government as part of Appendix A under Volume 1A.

Work Breakdown Structure (WBS).

The Offeror shall provide a WBS. The Government WBS example is provided below:

Level 1	Program					
Level 2	Program Management	Engineering	Hardware	System Support	Test	Installation
Level 3	Contract Management	Mechanical	Make	Configuration Management	Factory	PTC
	Schedule Management	Electrical	Buy	Spares	Environmental	
	Risk Management	Drafting		Training		
	Program Support			Data		
				Facilities		
Level 4						

APPENDIX 2: CUSTOMER QUESTIONNAIRES

PAST PERFORMANCE QUESTIONNAIRE

Program Managers, or their Contracting Officer Representatives, are requested to complete the attached past performance questionnaire to be used in evaluating past performance. Upon completion please submit to:

Commander
Naval Sea Systems Command
Attn: John Jeffrey, SEA 02511E
RFP N00024-10-R-5114
1333 Isaac Hull Avenue, SE, Stop 2040
Washington Navy Yard, DC 20376-2040

or

e-mail to John.Jeffrey@navy.mil

**SOURCE SELECTION
PAST PERFORMANCE QUESTIONNAIRE**

CONTRACTOR: _____

CONTRACT NUMBER: _____

CONTRACT TYPE: _____

ORIGINAL CONTRACT VALUE: _____

CURRENT CONTRACT VALUE: _____

NATURE OF EFFORT: _____

PERIOD OF PERFORMANCE: _____

PLACE OF PERFORMANCE: _____

Please complete the questionnaire as a coordinated effort for the Contracting Officer. For the first 18 questions, choose the number on the scale of 1 to 4 that most accurately describes the Contractor’s performance on the contract listed above. A “4” represents *outstanding*, and “1” indicates *unacceptable*. If the question is *not applicable*, circle “N/A.” Please add any comments and information that may help to determine the Contractor’s probable performance.

PAST PERFORMANCE QUESTIONNAIRE (Cont.)

1.	Evaluate the Contractor's compliance with contractual terms and conditions.	1	2	3	4	N/A
2.	Evaluate the Contractor's adherence to task schedules and mission requirements.	1	2	3	4	N/A
3.	How well did the Contractor demonstrate the ability to overcome program, technical, or schedule difficulties?	1	2	3	4	N/A
4.	Evaluate the Contractor's responsiveness to technical direction.	1	2	3	4	N/A
5.	Evaluate the Contractor's technical judgment as demonstrated by the quality of its design reviews.	1	2	3	4	N/A
6.	Evaluate the Contractor's ability to solve business management problems without extensive guidance from the procuring activity counterpart.	1	2	3	4	N/A
7.	How responsive and reasonable was the Contractor with regard to negotiating changes and modifications?	1	2	3	4	N/A
8.	Evaluate the Contractor's labor force in terms of overall qualifications to perform the work required.	1	2	3	4	N/A
9.	Evaluate the Contractor's willingness and ability to integrate as a team with the existing work force (Government and/or other contractors).	1	2	3	4	N/A
10.	Evaluate the stability of the Contractor's work force.	1	2	3	4	N/A
11.	How well did the Contractor exercise management control over his own personnel?	1	2	3	4	N/A
12.	If the Contractor used subcontractor(s), how well did the Contractor exercise management control over the subcontractor(s)?	1	2	3	4	N/A
13.	Evaluate the Contractor's work control procedures.	1	2	3	4	N/A
14.	How responsive was the Contractor to after hour's emergency calls?	1	2	3	4	N/A
15.	Evaluate Contractor's cost reporting and estimating system.	1	2	3	4	N/A
16.	Evaluate the responsiveness and quality of Contractor reports and documentation.	1	2	3	4	N/A
17.	Evaluate the Contractor's development and utilization of key personnel.	1	2	3	4	N/A
18.	If the contract specified subcontracting goals, how well did the Contractor comply?	1	2	3	4	N/A
19.	Was the Contractor cooperative in negotiations and in resolving issues?	YES		NO		
20.	Have there been any terminations of tasks due to inability to meet technical requirements, delivery schedules, or cost predictions? If so, how many?	YES		NO		
21.	Would you award similar contracts to the Contractor in the future?	YES		NO		

Section M - Evaluation Factors for Award

CLAUSES INCORPORATED BY FULL TEXT

Attention is directed to Federal Regulation (FAR) 52.215-1 which provides that the contract will be awarded to that responsible offeror whose proposal represents the best value after evaluation in accordance with the factors and subfactors in the solicitation. "Factors" and "subfactors" shall include all of those evaluation factors and subfactors which are described in this Section M.

BASIS OF AWARD

ALL UNITS OF ALL ITEMS WILL BE AWARDED TO ONE OFFEROR. OFFERS, THEREFORE, MUST BE ON THE BASIS OF FURNISHING ALL UNITS OF ALL ITEMS.

SECTION M-1 PROVISIONS INCORPORATED IN FULL TEXT

CLAUSES INCORPORATED BY FULL TEXT

52.217-5 EVALUATION OF OPTIONS (JUL 1990)

Except when it is determined in accordance with FAR 17.206(b) not to be in the Government's best interests, the Government will evaluate offers for award purposes by adding the total price for all options to the total price for the basic requirement. Evaluation of options will not obligate the Government to exercise the option(s).

(End of provision)

52.247-50 NO EVALUATION OF TRANSPORTATION COSTS (APR 1984)

Costs of transporting supplies to be delivered under this contract will not be an evaluation factor for award.

(End of provision)

EVALUATION OF PREVIOUSLY APPROVED SINGLE PROCESS INITIATIVE (NAVSEA) (NOV 1996)

Previously approved Single Process Initiative (SPI) processes will be evaluated under the source selection criteria of the RFP. If the successful offeror has previously approved SPI processes in the proposal, those SPI processes will be incorporated into the contract upon award.

F.O.B. OFFER-RFP (NAVSEA) (SEP 1990)

OFFERS SUBMITTED ON A BASIS OTHER THAN F.O.B. ORIGIN SHALL BE REJECTED AS UNACCEPTABLE.

CONTRACT AWARD (NAVSEA) (SEP 1990)

Attention is directed to Federal Acquisition Regulation (FAR) 52.215-1 which provides that the contract will be awarded to that responsible offeror whose proposal represents the best value after evaluation in accordance with the factors and subfactors in the solicitation. "Factors" and "subfactors" shall include all of those evaluation factors and subfactors which are described in this Section M.

SECTION M-2 - BASIS OF AWARD

1.0 General

The Government will award the contract to the responsible Offeror whose acceptable offer represents the best value to the Government. The Government will only award one contract and will not award partial contracts. A range of quantities is specified within which the Government may order additional production systems at the proposed prices. The ranges specified in Section B of this solicitation are necessary to allow the Government the flexibility to adjust quantities as mandated by the Congress or called for by budgetary constraints. All, some, or none of the options may be exercised by the Government in its sole discretion. Offerors are required to price out all Contract Line Items (CLINs) that are not categorized as NSP. All units of all items will be awarded to one Offeror. Offers, therefore, must be on the basis of furnishing all units of all items.

Each Offeror shall submit only one proposal. The Government will not evaluate alternate proposals.

The Government may conduct a Pre-Award Site Survey as part of this source selection. Results of any survey will be evaluated to determine each Offeror's capability to meet the requirements of the solicitation. Any such survey may also be used to verify statements and representations made in the Offeror's proposal.

To be eligible for award, Offerors are required to meet all solicitation requirements, including terms and conditions and representations and certifications and to provide all information required by Section L of this solicitation. Failure to comply with all the solicitation requirements may result in the Offeror being removed from consideration for award.

In accordance with FAR 52.215-1, the Government intends to evaluate proposals and award a contract without discussions with Offerors (except clarifications as described in FAR 15.306(a)). Therefore, the Offeror's initial proposal should contain the Offeror's best terms from a cost and technical standpoint. The Government reserves the right to conduct discussions if the Contracting Officer determines them to be necessary.

Additionally, the successful offeror must have been granted a SECRET facility security clearance by a military department prior to the date of award. Any firm lacking the requisite security clearance and intending to respond to this procurement shall, within ten (10) days of issuance of this RFP, request initiation of such clearance action in writing from the Naval Sea Systems Command, Code: SEA 10P, 1333 Isaac Hull Avenue SE, Washington Navy Yard DC 20376. Appropriate clearance action in accordance with established procedures will be initiated by the Naval Sea Systems Command, but the Naval Sea Systems Command does not represent that such action can be completed and clearance granted prior to expiration of offers.

Failure to identify any dependency outside the scope of this procurement or any underlying assumptions critical to the performance of Cost and Schedule variables within the scope of this contract may result in the proposal being evaluated as “Unacceptable”.

1.1 Acceptability of the Offer

The Government reserves the right to eliminate from competition any proposal determined to be unacceptable. To be acceptable, the offer must manifest the Offeror’s assent, without exception, to the terms and conditions of the RFP, including attachments. An “Unacceptable” rating for any factor or subfactor will result in the entire proposal being found unacceptable. Offerors must propose costs for all base and option line items.

1.2 Evaluation Factors

The Government will evaluate the Offeror’s proposal in accordance with the factors and subfactors set forth below.

1.2.1 Factor 1: Schedule and Risk Management

The Schedule and Risk Management Factor will be evaluated to determine the Offeror’s ability to deliver systems on schedule and with minimum cost, schedule, and performance risk.

- Sub-factor 1: Schedule Management Approach
- Sub-factor 2: Risk Management Approach

1.2.2 Factor 2: Technical Approach

The Technical Approach Factor will be evaluated to determine the Offeror’s ability to satisfy the requirements of this solicitation, including the merit of the Offeror’s approach, the ability to understand and solve technical issues related to this effort, and the ability to produce systems.

- Sub-factor 1: Organization and Personnel
- Sub-factor 2: Technical Data Package
- Sub-factor 3: Facilities
- Sub-factor 4: Production and Testing
- Sub-factor 5: Technical Capability

1.2.3 Factor 3: Past Performance

For Past Performance, the Government will assess the Offeror's and the Offeror's proposed major subcontractors' performance on previous contracts similar to the work required herein. Assessment of the Offeror's past performance will be one means of evaluating the credibility of the Offeror's proposal and relative capability to meet performance requirements. The evaluation will consist of a review to determine the similarity of the past work to requirements of the work described in this solicitation as well as the Offeror's:

- (1) Quality of Product or Service
- (2) Schedule Performance
- (3) Management
- (4) Customer Relations/Customer Satisfaction
- (5) Meeting Socio-Economic Business Utilization Goals

Offerors are advised that in evaluating an Offeror's past performance, the Government may, in its sole discretion, consider information from sources outside the Offeror's proposal. For example, the Government may consider information based on its own experience with the Offeror and/or may contact the parties for whom the Offeror performed contracts and consider their response when evaluating the Offeror's proposal. The Government intends to review Contractor Performance Assessment Reporting System (CPARS) ratings on relevant contracts and may also consider Past Performance Information Retrieval System (PPIRS) ratings, regulatory agency databases, past performance questionnaires, information submitted by each Offeror with its proposal, and other existing past performance information contained in either local or other supervisor files, or from other Government sources or non-Government sources. General trends in a contractor's performance will also be considered.

The assessment of the Offeror's Past Performance is one of the factors used for evaluating the Offeror's ability to successfully perform the requirements set forth in this RFP, as well as to determine the Offeror's performance risk for the subject solicitation. Such consideration is separate and distinct from the Contracting Officer's responsibility determination under FAR Part 9. The Government reserves the right to contact references provided by the Offeror and otherwise verify statements and representations made in the Offeror's proposal but reserves the right not to contact all references. In case of an Offeror without a record of relevant past performance or for whom information on past performance is not available the Offeror may not be evaluated favorably or unfavorably on past performance in accordance with FAR 15.305.

Evaluations will be based on the Navy's determination of the quality of the contractor's performance on the listed contracts. Quality of past performance will be determined based on information provided by the Offeror, including information received in Customer Questionnaires, and information gathered from other resources. Greatest value will be given to those responses which demonstrate relevant past performance. In determining the relevancy of past performance data, the Government will give greater consideration to contracts that involved the description of work similar to the work required under this solicitation in terms of technology, type of effort (manufacturing, fabrication, assembly, and testing), contract scope,

schedule and risk. Contracts with U.S. Government customers are considered more relevant than other contracts.

1.2.4 Factor 4: Evaluated Price

Price to the Government

The Government will consider an Offeror's prices for the base year and the option years (through FY 2011 only). In making an award decision, the Government will determine an evaluated price for each Offeror. For purposes of this solicitation, "evaluated price" will consist of the offered prices to the Government for the base year quantity, plus offered prices for all FY 2011 option quantities, plus the rental equivalent for any Government Production and Research Property (GPRP). Calculation of GPRP charges will be in accordance with FAR 45.2 and FAR 52.245-9, entitled "Use and Charges."

Evaluation of options shall not obligate the Government to exercise the option(s). Furthermore, in accordance with FAR 52.215-1, the Government may determine that a proposal is unacceptable if the prices proposed are materially unbalanced between line items or sub-line items. Unbalanced pricing exists when, despite an acceptable total evaluated price, the price of one or more CLINs is significantly overstated or understated as indicated by the application of cost or price analysis techniques.

In evaluating the Offeror's proposal, the Government will estimate the overall price to the Government including profit and the amount of rent which would otherwise be charged for the use of Government production and research property proposed by the Offeror for rent free use. Pertinent cost and pricing data will be used to arrive at the Government determination of the most probable price to be incurred.

2.0 Relative Importance of Factors and Sub-factors.

The Schedule and Risk Management Factor is equal in importance to the Technical Approach Factor. The Schedule and Risk Management Factor and the Technical Approach Factor are each more important than the Past Performance factor. When combined, the non-price factors are significantly more important than the Price factor. Within the Schedule and Risk Management Factor, the Schedule Management Approach Subfactor is significantly more important than the Risk Management Approach Subfactor. Within the Technical Approach Factor, all subfactors are of equal importance.

3.0 Ratings

The Government will evaluate the non-price factors and subfactors for strengths and weaknesses, cross impact, deficiencies and risk. The information sought by the Navy for each factor and subfactor is detailed in Section L of this RFP. Each factor and subfactor will be assigned an adjectival rating as follows:

Outstanding: An outstanding proposal is characterized as follows:

- The proposed approach indicates an exceptionally thorough and comprehensive understanding of the program goals, resources, schedules, and other aspects essential to performance of the program.
- In terms of the specific factor or subfactor, the proposal contains major strengths, superior technical merit, or innovations that should substantially benefit the program.
- There are no deficiencies. Weaknesses, if any, are minor and are insignificant when compared to strengths.
- The risk of unsuccessful contract performance is extremely low. There is little or no potential to cause disruption of schedule, increase in cost, or degradation of performance.

Good: A good proposal is characterized as follows:

- The proposed approach indicates a thorough understanding of the program goals and the methods, resources, schedules and other aspects essential to performance of the program.
- The proposal has major strengths and/or minor strengths which indicate the proposed approach will benefit the program.
- There are no deficiencies. Weaknesses, if any, are minor and are more than offset by strengths.
- The risk of unsuccessful contract performance is low. There is potential to cause some disruption of schedule, increase in cost, or degradation of performance. Normal contractor effort will probably be able to overcome difficulties.

Satisfactory: A satisfactory proposal is characterized as follows:

- The proposed approach indicates an adequate understanding of the program goals and the methods, resources, schedules and other aspects essential to performance of the program.
- There are few, if any, strengths that benefit the program.
- There are no deficiencies. Weaknesses are generally offset by strengths.
- The risk of unsuccessful contract performance is moderate. There is potential to cause disruption of schedule, increase in cost, or degradation of performance. However, special contractor emphasis will probably be able to overcome difficulties.

Unacceptable: An unacceptable proposal is characterized as follows:

- The proposed approach indicates a lack of understanding of the program goals and the methods, resources, schedules and other aspects essential to performance of the program.
- The proposal has one or more significant weaknesses and/or deficiencies.
- The risk of unsuccessful contract performance is high. There is likelihood of significant disruption of schedule, increase in cost, or degradation of performance, even with special contractor emphasis.

4.0 Source Selection Decision

The Government intends to award a contract to the responsible Offeror whose acceptable proposal represents the best value to the Government after evaluation in accordance with the factors and subfactors in the solicitation. The best value proposal will be selected using a tradeoff process, as defined in FAR 15.101-1, which permits tradeoffs among price and non-

price factors. Accordingly, the Government may accept other than the lowest price proposal where the perceived benefits of the higher price proposal merit the additional price. Conversely, the Government may select a lower-priced, lower rated proposal if the Government determines that the premium associated with the higher-rated proposal is not justified. In making its best value determination the Government shall consider all technical merit (i.e. all non-cost factors taken together) to be significantly more important than the Government evaluated price. However, the importance of evaluated price as an evaluation factor will increase with the degree of equality in overall technical merit of competing proposals.