

Note: Questions and Comments in reference to the following must be submitted by **23 March 2012 at 12:00 pm Eastern Time**. The Government will attempt to respond to all questions and comments submitted by the date and time deadline referenced above; however, the Government cannot guarantee responses to those questions and comments submitted after the deadline.

Changes included herein are for the DRAFT RFP. Upon its release, Offerors are advised to review the Final RFP closely for any additional changes. The Government's final requirements will be stated in the FINAL RFP.

**The purpose of this amendment to Draft RFP N00024-11-R-5207 is to:**

- 1) Provide an update to Section B, Supplies and Services.
- 2) Revise the Section B clause 'Determination of Technical and Schedule Performance Incentive'.
- 3) Provide an update to Section C, Descriptions and Specifications.
- 4) Provide information on the update to the CAB FoA Specification.

Accordingly, said Draft RFP is modified as follows:

**a) Update to Section B, Supplies and Services is provided as Attachment 1 to this amendment.**

**b) Section B, Determination of Technical and Schedule Performance Incentive is updated as follows:**

DETERMINATION OF TECHNICAL AND SCHEDULE PERFORMANCE INCENTIVE (CONTRACT LINE ITEM NUMBERS (CLINs) (0001, 0005, 0006, 1001, 1002, 1006, 1007, 2003 and 2004).

A. In addition to the Cost-Plus Incentive Fee (CPIF) structure for CLINs 0001, 0005, 0006, 1001, 1002, 1006, 1007, 2003 and 2004, the Contractor may earn a performance incentive and schedule incentive. The Government's purpose for including a performance incentive and schedule incentive is to encourage and reward Contractor initiative toward exceeding minimum performance ahead of schedule while still achieving target cost.

B. A Technical Performance Incentive amount of up to \$ Offeror to fill in (equal to two percent (2%) of Target Cost, excluding Facilities Capital Cost of Money (FCCM) of the applicable CLINs as outlined below) may be earned by the Contractor. A Schedule Performance Incentive amount of up to \$ Offeror to fill in (equal to three percent (3%) of Target Cost, excluding FCCM of the applicable CLINs as outlined below) may be earned by the Contractor. These incentives are separate and distinct from one another. The Contractor may earn none, all or part of either the Technical Performance Incentive or the Schedule Performance Incentive. Availability of the Performance Incentive Fee pool is contingent upon the Government's exercising and funding, and the Contractor's successful completion, of those cost and fee bearing Contract Line Items (with the exception of Engineering Services) directly associated with the design, development, manufacturing, and delivery of the CAB-E and CAB-S Engineering Design Model (EDM), the CAB-E and CAB-S Pre-Production Units (PPU), and the CAB FoA Technical Data Package (TDP). If one or more of the following CLINs are not executed under this contract, the Performance Incentive Fee pool will be reduced by the Target Cost of that CLIN(s): 0001, 0005, 0006, 1001, 1002, 1006, 1007, 2003 and 2004.

C. Pursuit of the Technical Performance Incentive and/or Schedule Performance Incentive shall not come at the expense of the overall CAB FoA effort. Based on the criteria outlined in this clause, the Program Manager (PM) (PEO IWS 6.0) and Procuring Contracting Officer (PCO) (will make the determination of whether the Contractor has met the prerequisites to be considered for these incentives. In the event that the PM and PCO determine the

Contractor's performance is not satisfactory, relative to the requirements outlined in this clause, the Contractor will not be eligible for these incentives.

D. Technical and Schedule Performance Incentive Determination Procedures

1. The Contractor shall be paid such Technical Incentive and/or Schedule Incentive as determined by this document. The Performance Incentive Fee pool will be calculated by adding together the target cost of CLINs 0001, 0005, 0006, 1001, 1002, 1006, 1007, 2003, and 2004 pursuant to the restrictions outlined in Section B of this document.

2. Incentive Criteria

2a. Following delivery of CLIN 1002, with previous completion of CLINs 0001, 0005, 0006, and 1001, the Contractor shall provide the PM and PCO written proof of acceptance by the Government of the CAB-E and CAB-S EDMs. The latest date of delivery resulting in Government acceptance shall be used to determine the amount of schedule performance incentive fee to which the Contractor is entitled.

2b. Following the delivery of the draft TDP for CAB-E and CAB-S and conditional Government acceptance of CDRL A003, with the previous completion of CLINs 0001, 0005, 0006, 1001 and 1002, the Contractor shall provide the PM and PCO proof of acceptance of the of the CAB-E and CAB-S draft TDPs by the Government. The schedule performance incentive fee shall be calculated based upon the latest date of delivery resulting in Government acceptance of the draft TDP. Partial or conditional acceptance, i.e. the TDP is tentatively accepted pending resolution and incorporation of comments shall be, for the purposes of fee calculation, considered to have been delivered on Contractor's latest delivery date if all of the Government comments are successfully adjudicated within 30 days of receiving said comments from the Government. If all comments are not successfully adjudicated within 30 days of receipt by the Contractor, then the acceptance date shall be considered to be the date on which the last outstanding comment was successfully addressed. This date is to be determined by a consensus between the PM and the PCO.

2c. Following delivery of CLINs 2003 and 2004, with previous completion of CLINs 0001, 0005, 0006, 1001, 1002, 1006 and 1007 the Contractor shall provide the PM and PCO proof of acceptance by the Government of the CAB-E and CAB-S PPU's. The latest date of delivery resulting in Government acceptance shall be used to determine the amount of schedule performance incentive fee to which the Contractor is entitled.

2d. Following the delivery of the final TDP for CAB-E and CAB-S and final Government acceptance of CDRL A003, with previous completion of CLINs 0001, 0005, 0006, 1001, 1002, 1006, and 1007 the Contractor shall provide the PM and PCO proof of acceptance by the Government of the CAB-E and CAB-S TDPs. The schedule performance incentive fee shall be calculated based upon the latest date of delivery resulting in Government acceptance of the final TDP. Partial or conditional acceptance, i.e. the TDP is tentatively accepted pending resolution and incorporation of comments shall be, for the purposes of fee calculation, considered to have been delivered on Contractor's latest delivery date if all of the Government comments are successfully adjudicated within 30 days of receiving said comments from the Government. If all comments are not successfully adjudicated within 30 days of receipt by the Contractor, then acceptance date shall be considered to be the date on which the last outstanding comment was successfully addressed. This date is to be determined by a consensus between the PM and the PCO.

3. Within forty-five (45) days of receipt of the Contractor's proof of acceptance the PM and PCO will make a determination of whether the Contractor has met the criteria for the payment of the Technical and/or Schedule Performance Incentive fee. Following the determination of whether the Contractor has met the criteria for the payment of the Technical and/or Schedule Performance Incentive fee, the PCO will issue a modification to the contract providing any Performance Incentive fee earned.

E. Technical Performance Incentive may be earned as follows:

If all CLIN threshold criteria are met, the Contractor may earn a Technical Performance Incentive of up to 2% of the target cost (excluding FCCM) of the applicable CLINs as outlined in this document for improvement to the specific

technical performance parameter as defined below. The Technical Performance Incentive pool shall be divided equally between dual beam operation and the combined weight of all mast-mounted CAB-E assembly components:

1. Dual beam operation in the CAB-E and CEB-S antennas

The Government intends to provide the Contractor a technical performance incentive for the CAB antenna’s ability to perform dual beam operation. The dual beam operation will be demonstrated during testing of the CAB-E and CAB-S PPU’s. The successful demonstration of dual beam capability will result in a payout of half of the Technical Performance Incentive pool.

2. Combined weight of all mast-mounted CAB-E assembly components

The following is taken from the CAB-E Specification:

“The combined weight of all mast-mounted CAB-E assembly components *shall* not exceed 242 pounds.”

The Government intends to provide the Contractor an incentive to reduce the in CAB-E assembly component’s weight. A 5% reduction in weight will result in a payout of half of the Technical Performance Incentive. See below for the payout structure:

1% reduction in weight	10% of available Technical Performance Incentive pool
2% reduction in weight	20% of available Technical Performance Incentive pool
3% reduction in weight	30% of available Technical Performance Incentive pool
4% reduction in weight	40% of available Technical Performance Incentive pool
5% reduction in weight	50% of available Technical Performance Incentive pool

Combined weight of all mast-mounted CAB-E components will be measured upon acceptance of CLIN 2003.

F. The Contractor may earn a Schedule Incentive up to 3% of the target cost (excluding FCCM) of the applicable CLINs as outlined in this document for delivery ahead of schedule of the following items:

EDM Delivery	15% of Schedule Performance Incentive pool
Draft TDP Delivery	15% of Schedule Performance Incentive pool
Delivery of 1 <sup>st</sup> PPU for CAB-E and CAB-S	35% of Schedule Performance Incentive pool
TDP Delivery	35% of Schedule Performance Incentive pool

For each day of early delivery of the specified items, 1.67% of the available Schedule Performance Incentive pool will be paid to the Contractor. These items are separate and distinct from one another. Portions of the Schedule Performance Incentive pool not earned for a particular item shall not be available in the Schedule Performance Incentive pool for subsequent items. 100% of the Schedule Performance Incentive pool will be paid for early deliveries 60 days ahead of schedule or greater. An example is shown below:

Schedule Performance Incentive Pool Available			\$450,000
EDM Delivery 45 days early	45	1.67%	75.15%
Total EDM Delivery Incentive Paid			\$338,175

G. To ensure that pursuit of the Technical and/or Schedule Performance Incentive does not come at the expense of the overall CAB FoA effort, the total Performance Incentive amount available to be earned may be forfeited based on the Contractor’s Estimate at Completion (EAC), taken from the Contractor’s CPR one month after delivery and the Government’s validation of the EAC for CLINs 1002, 2003 and 2004.

1. If the Contractor’s EAC is equal to or less than Target Cost (excluding FCCM) of the applicable CLINs plus 10% then the Performance Incentive amount available to be earned will not be forfeited.

2. If the Contractor's EAC is greater than Target Cost (excluding FCCM) of the applicable CLINs plus 10% then the Contractor forfeits the opportunity to earn the Performance Incentive.

If, at the completion of all CLINs subject to the Technical and Schedule Performance Incentive Fee, the Contractor has exceeded the Target Cost (excluding FCCM) of the applicable CLINs plus 10%, then the Contractor is deemed to have not met the eligibility requirements for payment of the Performance Fee. To recover that portion of the Performance Incentive Fee already invoiced and expended, remaining invoices shall be decremented for the amount of the Performance Incentive Fee already obligated. If the remaining amount to be invoiced is not sufficient to repay all of the Performance Fee invoiced and expended, the Contractor shall reimburse the United States Treasury the difference within 60 days of notification by the PCO.

H. The Government's determination of the amount of Performance Incentive earned is a unilateral decision made solely at the discretion of the Government pursuant to the criteria outlined in this clause.

I. The Contractor will be paid any earned Performance Incentive amount(s) upon submittal of a proper invoice to the cognizant payment office. The Contractor's invoice shall show the amount of Performance Incentive earned. The Contractor's invoice must cite the appropriate Contract Line Item Number in order for payment to be effected.

**c) Update to Section C, Descriptions and Specifications is provided as Attachment 2 to this amendment.**

**d) The following information is provided on the update to the CAB FoA Specification:**

Notice of Change

The intent of this notice is to inform industry of changes to previously released requirements associated with the Cooperative Engagement Capability (CEC) Data Distribution System (DDS) Common Array Block - Family of Antennas (CAB-FoA).

The government has changed the Dual-Beam requirement from a threshold to an objective in this update (single-beam operation is now the threshold) to the CAB-FoA Specification. An overview of this objective is as follows. Dual-beam operation is entered when commanded by the System Data Processor. The CAB-FoA antenna shall be capable of dual-beam operation anywhere in the field of regard, at reduced power levels. When in dual-beam operation, both beams will be in transmit or both beams will be in receive (two transmit beams (2-Tx) or two receive beams (2-Rx)). Simultaneous transmit/receive is not supported in dual-beam operation.

This notice is intended for informational purposes only and does not take precedence over any documentation released as part of a final RFP.