

ORDER FOR SUPPLIES OR SERVICES

1. CONTRACT/PURCH. ORDER/ AGREEMENT NO. W9113M-04-D-0001	2. DELIVERY ORDER/ CALL NO. 0005	3. DATE OF ORDER/ CALL (YYYYMMDD) 2006 Jun 06	4. REQ./ PURCH. REQUEST NO. W31RPD6109JSKC	5. PRIORITY
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6. ISSUED BY US ARMY SPACE & MISSILE DEFENSE COMMAND P.O. BOX 1500 HUNTSVILLE AL 35807-3801	CODE W9113M	7. ADMINISTERED BY (if other than 6) DCM LOCKHEED MARTIN MISSILES & SPACE P.O. BOX 3504 SUNNYVALE CA 94088-3504	CODE S0543A	8. DELIVERY FOB <input checked="" type="checkbox"/> DESTINATION <input type="checkbox"/> OTHER (See Schedule if other)
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9. CONTRACTOR LOCKHEED MARTIN SPACE SYSTEMS COMPANY NAME MISSILES AND SPACE OPERATIONS AND 1111 LOCKHEED MARTIN WAY ADDRESS SUNNYVALE CA 94088-3504	CODE 06887	FACILITY	10. DELIVER TO FOB POINT BY (Date) (YYYYMMDD) SEE SCHEDULE	11. MARK IF BUSINESS IS <input type="checkbox"/> SMALL <input type="checkbox"/> SMALL DISADVANTAGED <input type="checkbox"/> WOMEN-OWNED
			12. DISCOUNT TERMS	
13. MAIL INVOICES TO THE ADDRESS IN BLOCK See Item 15				

14. SHIP TO SEE SCHEDULE	CODE	15. PAYMENT WILL BE MADE BY DFAS-COLUMBUS CENTER DFAS-CO/WEST ENTITLEMENT OPERATION P.O. BOX 182381 COLUMBUS OH 43218-2381	CODE HQ0339	MARK ALL PACKAGES AND PAPERS WITH IDENTIFICATION NUMBERS IN BLOCKS 1 AND 2.
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16. TYPE OF ORDER	DELIVERY/ CALL	<input checked="" type="checkbox"/>	This delivery order/call is issued on another Government agency or in accordance with and subject to terms and conditions of above numbered contract.
	PURCHASE	<input type="checkbox"/>	Reference your quote dated Furnish the following on terms specified herein. REF:

ACCEPTANCE, THE CONTRACTOR HEREBY ACCEPTS THE OFFER REPRESENTED BY THE NUMBERED PURCHASE ORDER AS IT MAY PREVIOUSLY HAVE BEEN OR IS NOW MODIFIED, SUBJECT TO ALL OF THE TERMS AND CONDITIONS SET FORTH, AND AGREES TO PERFORM THE SAME.

NAME OF CONTRACTOR	SIGNATURE	TYPED NAME AND TITLE	DATE SIGNED (YYYYMMDD)
<input checked="" type="checkbox"/> If this box is marked, supplier must sign Acceptance and return the following number of copies: 1			

17. ACCOUNTING AND APPROPRIATION DATA/ LOCAL USE
See Schedule

18. ITEM NO.	19. SCHEDULE OF SUPPLIES/ SERVICES	20. QUANTITY ORDERED/ ACCEPTED*	21. UNIT	22. UNIT PRICE	23. AMOUNT
SEE SCHEDULE					

* If quantity accepted by the Government is same as quantity ordered, indicate by X. If different, enter actual quantity accepted below quantity ordered and encircle.	24. UNITED STATES OF AMERICA	25. TOTAL \$15,274,500.00
		26. DIFFERENCES

27a. QUANTITY IN COLUMN 20 HAS BEEN
 INSPECTED RECEIVED ACCEPTED, AND CONFORMS TO THE CONTRACT EXCEPT AS NOTED

b. SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE	c. DATE (YYYYMMDD)	d. PRINTED NAME AND TITLE OF AUTHORIZED GOVERNMENT REPRESENTATIVE
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e. MAILING ADDRESS OF AUTHORIZED GOVERNMENT REPRESENTATIVE	28. SHIP NO.	29. DO VOUCHER NO.	30. INITIALS
f. TELEPHONE NUMBER g. E-MAIL ADDRESS		32. PAID BY <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL	33. AMOUNT VERIFIED CORRECT FOR

36. I certify this account is correct and proper for payment.

a. DATE (YYYYMMDD)	b. SIGNATURE AND TITLE OF CERTIFYING OFFICER
31. PAYMENT <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL	
34. CHECK NUMBER	
35. BILL OF LADING NO.	

37. RECEIVED AT	38. RECEIVED BY	39. DATE RECEIVED (YYYYMMDD)	40. TOTAL CONTAINERS	41. S/R ACCOUNT NO.	42. S/R VOUCHER NO.
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Section B - Supplies or Services and Prices

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT Dollars,	UNIT PRICE	AMOUNT
0001	MKV Task Order 0005 CPAF Scope of work entitled, "Multiple Kill Vehicle Payload System Development Carrier Vehicle Divert and Attitude Control System Risk Reduction Testing," dated 19 April 2006, Task Order Number 0005. FOB: Destination PURCHASE REQUEST NUMBER: W31RPD6109JSKC				

ESTIMATED COST	
BASE FEE	
SUBTOTAL EST COST + BASE	
MAX AWARD FEE	
TOTAL EST COST + FEE	\$0.00

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT Dollars,	UNIT PRICE	AMOUNT
0001AA	MKV Task Order 0005 CPAF See CLIN 0001 for description. This CLIN is for COST only. FOB: Destination				

ESTIMATED COST	
BASE FEE	
SUBTOTAL EST COST + BASE	
MAX AWARD FEE	
TOTAL EST COST + FEE	\$12,728,833.00

ACRN AA \$1,565,833.00
CIN: 00000000000000000000000000000000

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001AB			Dollars,		
	MKV Task Order 0005				
	CPAF				
	See CLIN 0001 for description. This CLIN is for Award Fee only.				
	FOB: Destination				
				ESTIMATED COST	
				BASE FEE	
				SUBTOTAL EST COST + BASE	
				MAX AWARD FEE	
				TOTAL EST COST + FEE	\$2,545,667.00
	ACRN AA				\$313,167.00
	CIN: 00000000000000000000000000000000				

CLAUSES INCORPORATED BY FULL TEXT

AWARD FEE:

- a. This contractor's performance hereunder shall be evaluated in accordance with the process described in the Award Fee Determination Plan clause in Section H hereto.
- b. Following is a summary list by award fee period of the award fee available, award fee earned, and award fee not earned removed from contract, applicable to this contract.

<u>AWARD FEE PERIOD</u>	<u>AWARD FEE AVAILABLE</u>	<u>AWARD FEE EARNED</u>	<u>AWARD FEE NOT EARNED REMOVED FROM CONTRACT</u>
First	\$ *	\$ **	\$ **
Second	\$ *	\$ **	\$ **
Third	\$ *	\$ **	\$ **

* To be completed in the definitization mod. The maximum total award fee pool for the execution of this undefinitized action is [REDACTED]

** To be completed after award fee evaluations.

Section C - Descriptions and Specifications

STATEMENT OF WORK**MULTIPLE KILL VEHICLE PAYLOAD SYSTEM DEVELOPMENT****Carrier Vehicle Divert and Attitude Control System
Risk Reduction Testing****TASK ORDER NUMBER 0005****19 April 2006****1.0 TASK DESCRIPTION**

This Task Order defines Carrier Vehicle divert and attitude control system risk reduction in developing the Multiple Kill Vehicle Payload System. The contractor shall design a prototype Carrier Vehicle propulsion system and present it to the Government for approval. The contractor shall plan and conduct a static hot fire test of an integrated Carrier Vehicle propulsion system based on the government-approved prototype design.

2.0 TASK**2.1 Background**

The Missile Defense Agency wants to acquire Multiple Kill Vehicle payload systems as an integral part of the Ballistic Missile Defense System. The Agency plans to use an evolutionary, spiral approach to achieve increasingly greater and more robust capability over time against ballistic missiles in the ascent, mid-course and exo-atmospheric terminal phases of flight. The plan is to first demonstrate a multiple kill vehicle against ballistic missiles in the ascent and midcourse phases of flight from missile defense booster components. The goal is to fly in the Test bed during Block 12 (1 January 2012 - 31 December 2013) /Block 14 (1 January 2014 - 31 December 2015) .

The Multiple Kill Vehicle payload system consists of two major components; the carrier vehicle and the kill vehicles. A key component of the carrier vehicle is its agile propulsion system and maneuvering capability, which in concert with its long range sensor, will assign, stage and deploy individual kill vehicles for target destruction. As we integrate the Multiple Kill Vehicle payload system into the Ballistic Missile Defense System, we are conducting a classical requirements capture process and gauging the technology maturity of our major components. In support of the System Concept Review

and System Requirements Review, we will assess major component technologies and conduct risk reduction to demonstrate the required readiness level.

2.2 Task 0005 Objective

Our Task 5 objective is to static test an integrated carrier vehicle divert and attitude control system verifying propulsion system performance and technology maturity.

2.2.1 Carrier Vehicle Prototype Propulsion Design Task and Test Planning

The contractor shall design a cruciform, bi-propellant divert and attitude control system for the carrier vehicle based on flight proven components. The government recognizes the importance of maintaining flexibility in the requirements for the propulsion system and desires alternative designs for a flexible, robust, low risk capability. The contractor shall incorporate this critical design information into the systems engineering flow.

In preparation to conduct a hot fire test of an integrated propulsion system, the contractor shall prepare a test plan to include all hazard analysis documentation and test facility integration requirements.

2.2.2 Carrier Vehicle Propulsion System Development and Test Task

The contractor shall assemble and integrate the prototype Carrier Vehicle propulsion system. The contractor shall perform a hot fire test of the integrated divert and attitude control system in the Agency's National Hover Test Facility at Edwards Air Force Base. This test shall include: a divert and attitude control system configuration using mature technologies suitable for flight, a mission representative duty cycle, and demonstration of critical performance metrics.

The Government will conduct a series of test readiness reviews leading up to the event, supported by the contractor. The contractor shall present the results of the tests, demonstrating and substantiating the level of success in achieving this critical knowledge point after the event.

3.0 DELIVERABLES	CDRL	Submittal
Briefing Packages		A001
Prototype Design Review		December 2006
Entrance/Exit Criteria	A00A	31 July 2006
Test Plans	A00H	As Required
CV DACS Hot Fire Test Plan		
Test Report	A00M	As Required
Final Report	A004	30 September 2007
Cost Performance Report - Modified	A007	Monthly

(Treat as LOE for EVM purposes,
Formats 1 and 5 only)

Integrated Master Schedule

A00C

As Required

4.0 MISSION ASSURANCE. The contractor shall implement a plan to achieve mission success and shall identify in the Integrated Master Schedule the audit points where they will evaluate mission assurance implementation. The contractor shall document the audit criteria.

5.0 PERIOD OF PERFORMANCE: 6 June 2006 – 30 September 2007

6.0 TASK ORDER MONITOR

The Task Order Monitor for this effort is

[REDACTED]

Monitor for this effort is

[REDACTED]

Section G - Contract Administration Data

ACCOUNTING AND APPROPRIATION DATA

AA: 97 6 0400 2501 36 2216 40603894C00 255Y W31RPD6109JSKC 6HKMKV S01021
AMOUNT: \$1,879,000.00
CIN 00000000000000000000000000000000: \$1,879,000.00

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IMPLEMENTATION OF AND EXPLANATION OF THE RELATIONSHIP OF THE LIMITATION OF FUNDS (LOF) CLAUSE TO FEE OBLIGATIONS: The amount of funds estimated to be required for full performance, including fee(s); the amount of funds allotted pursuant to the Contract Clause hereof entitled, Limitations of Funds; the amount of funds currently obligated for fee; and the estimated period of performance covered by the funds allotted are set forth below. Amounts obligated for fee are separate from and are not to be commingled with the amounts allotted for costs and are not available to the contractor to cover costs in excess of those allotted to the contract for cost.

a. CLIN 0001:

(1) Amount Required for Full Funding, Including Fee(s):	██████████
(2) Amount Allotted Under the LOF Clause for Payment of Costs:	██████████
(3) Amount Separately Obligated for Payment of Fee:	██████████
(4) Total Amount Allotted and Obligated:	\$1,879,000
(5) Net Amount Required for Full Funding:	██████████
(6) Estimated Period of Performance the Allotted Amount Will Cover:	31 Aug 06

* This is the undefinitized NTE amount for performance of this task order.

Section H - Special Contract Requirements

AWARD FEE DETERMINATION PLAN**3. AWARD FEE DETERMINATION PROCESS**

- 3.1 Within five (5) working days after completion of the award fee period, the contractor submits a written self-evaluation in his format.
- 3.2 Within fifteen (15) working days after completion of the award fee evaluation period, the board evaluates the contractor's performance according to paragraph 4.0 and submits its recommendation to the fee determining official.
- 3.3 The fee determining official gives the contractor a written decision that discusses contractor performance, specifies the amount of fee earned, and describes areas of emphasis for the next award fee period. The fee determining official will give this document to the contractor within thirty (30) working days after the end of the period.
- 3.4 The Contracting Officer will modify the contract to incorporate the fee determining official's fee decision within three (3) business days after the decision.
- 3.5 The scheduled final date for completing the Milestone I criteria below is 30 September 2007. Failure to complete Milestone I by that final date will weigh very heavily against the contractor's opportunity to earn any award fee under the Milestone I criteria set forth below; however, the government will subjectively consider all facts and circumstances (to include government cooperation and interaction) leading up to milestone completion in determining the final award fee.

4. PERFORMANCE AND EVALUATION CRITERIA

The contractor shall submit detailed entrance/exit criteria for completion of Milestone I no later than 31 July 2006. Government will provide concurrence/comments on the entrance/exit criteria no later than 30 September 2006.

- 4.1 MILESTONE 1 ([REDACTED] of total Task Order Award Fee Pool)
Successful static firing of a prototype carrier vehicle divert and attitude control system. This test

includes:

- 1) divert and attitude control system configuration using mature technologies suitable for flight,
- 2) mission representative duty cycle,
- 3) critical performance metric operating within tolerance, and
- 4) 24hr delivery of a quick look report and 72 hour delivery of preliminary data to the Government.

- 4.2 Cost/Control Management Award ([REDACTED] of total Task Order Award Fee Pool)

- 1) Contractor demonstrated detailed knowledge of costs.

- 2) Contractor performed task order within established costs.

5. AWARD FEE POOL

5.1 The total award fee pool is [REDACTED] of the estimated cost of Task Order 5.

5.2 Award Fee Available for Milestone I Criteria (Commences effective date of Task Order through 30 September 2007). If the contractor completes Milestone I prior to or on the first date listed in the schedule performance chart below, [REDACTED] of the total award fee pool assigned to the Milestone I criteria will be available for the final earned award fee determination by the FDO. The government may progressively reduce the available award fee pool for Milestone I in accordance with the schedule performance chart below. The government will not apply such schedule performance reductions to the available award fee pool for Milestone I in a purely mechanical manner, but instead, will subjectively consider all facts and circumstances (to include government cooperation and interaction) leading up to milestone completion. In considering such schedule performance reductions to the available award fee pool for Milestone I, the government will not penalize the contractor for acts, circumstances and events which are beyond the reasonable control of the contractor and his subcontractors. Once the government has determined the final available award fee pool for Milestone I based on contractor schedule performance, the FDO will make the final determination of earned award fee for Milestone I based on contractor’s technical performance and achievement of Milestone I objectives.

Week Ending	Available Award Fee Pool*
26 August 2007	[REDACTED]
2 September 2007	[REDACTED]
9 September 2007	[REDACTED]
16 September 2007	[REDACTED]
23 September 2007	[REDACTED]
30 September 2007	[REDACTED]

* Note: Government will insert the appropriate award fee dollar amounts once we negotiate the total award fee.

6. CONTRACT TERMINATION

In the event the Government cancels the test pursuant to the “Termination” provisions of the task order, the fee determining official determines the award fee based on the contractor’s progress.

7. EQUITABLE CONSIDERATIONS

The government will subjectively consider acts, circumstances and events (to include Government actions and interactions) beyond the reasonable control of contractor/subcontractors in applying the above award fee provisions for Task Order 5. Any Government Modifications to Task Order 5 under the Changes Clause of the contract will entitle the contractor to submit a request for equitable adjustment to the above award fee provisions pursuant to provisions of the Changes Clause.

PRE-NEGOTIATED AWARD FEE

Pre-negotiated Fee Arrangements:

This [REDACTED] Award Fee in the basic contract is waived for this task order only. The Award Fee established for this task order is [REDACTED]

Section I - Contract Clauses

CLAUSES INCORPORATED BY FULL TEXT

52.216-23 EXECUTION AND COMMENCEMENT OF WORK (APR 1984)

The Contractor shall indicate acceptance of this undefinitized task order by signing the task order and returning to the contracting officer not later than 1 June 2006. Upon acceptance by both parties, the contractor shall proceed with performance of the work, including purchase of necessary materials.

52.216-24 LIMITATION OF GOVERNMENT LIABILITY (APR 1984)

(a) In performing this contract, the Contractor is not authorized to make expenditures or incur obligations exceeding [REDACTED] dollars.

(b) The maximum amount for which the Government shall be liable if this contract is terminated is [REDACTED] dollars.

(End of clause)

52.216-25 CONTRACT DEFINITIZATION (OCT 1997)

(a) A CPAF definitive task order is contemplated. The Contractor agrees to begin promptly negotiating with the Contracting Officer the terms of a definitive contract that will include (1) all clauses required by the Federal Acquisition Regulation (FAR) on the date of execution of the letter contract, (2) all clauses required by law on the date of execution of the definitive contract, and (3) any other mutually agreeable clauses, terms, and conditions. The Contractor agrees to submit a CPAF proposal no later than thirty (30) days after the effective date of undefinitized task order.

(b) The schedule for definitizing this contract is 60 days after the issue date of the undefinitized task order.

(c) If agreement on a definitive contract to supersede this letter contract is not reached by the target date in paragraph (b) above, or within any extension of it granted by the Contracting Officer, the Contracting Officer may, with the approval of the head of the contracting activity, determine a reasonable price or fee in accordance with Subpart 15.4 and Part 31 of the FAR, subject to Contractor appeal as provided with completion of the contract, subject only to the Limitation of Government Liability clause.

(1) After the Contracting Officer's determination of price or fee, the contract shall be governed by--

(i) All clauses required by the FAR on the date of execution of this letter contract for either fixed-price or cost-reimbursement contracts, as determined by the Contracting Officer under this paragraph (c);

(ii) All clauses required by law as of the date of the Contracting Officer's determination; and

(iii) Any other clauses, terms, and conditions mutually agreed upon.

(2) To the extent consistent with subparagraph (c)(1) above, all clauses, terms, and conditions included in this letter contract shall continue in effect, except those that by their nature apply only to a letter contract.

(End of clause)

52.216-26 PAYMENTS OF ALLOWABLE COSTS BEFORE DEFINITIZATION (DEC 2002)

(a) Reimbursement rate. Pending the placing of the definitive contract referred to in this letter contract, the Government will promptly reimburse the Contractor for all allowable costs under this contract at the following rates:

(1) [REDACTED] of approved costs representing financing payments to subcontractors under fixed-price subcontracts, provided that the Government's payments to the Contractor will not exceed [REDACTED] of the allowable costs of those subcontractors.

(2) [REDACTED] of approved costs representing cost-reimbursement subcontracts; provided, that the Government's payments to the Contractor shall not exceed [REDACTED] of the allowable costs of those subcontractors.

(3) [REDACTED] of all other approved costs.

(b) Limitation of reimbursement. To determine the amounts payable to the Contractor under this letter contract, the Contracting Officer shall determine allowable costs in accordance with the applicable cost principles in Part 31 of the Federal Acquisition Regulation (FAR). The total reimbursement made under this paragraph shall not exceed [REDACTED] of the maximum amount of the Government's liability, as stated in this contract.

(c) Invoicing. Payments shall be made promptly to the Contractor when requested as work progresses, but (except for small business concerns) not more often than every 2 weeks, in amounts approved by the Contracting Officer. The Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as the representative may require, an invoice or voucher supported by a statement of the claimed allowable cost incurred by the Contractor in the performance of this contract.

(d) Allowable costs. For the purpose of determining allowable costs, the term "costs" includes--

(1) Those recorded costs that result, at the time of the request for reimbursement, from payment by cash, check, or other form of actual payment for items or services purchased directly for the contract;

(2) When the Contractor is not delinquent in payment of costs of contract performance in the ordinary course of business, costs incurred, but not necessarily paid, for--

(i) Supplies and services purchased directly for the contract and associated financing payments to subcontractors, provided payments determined due will be made--

(A) In accordance with the terms and conditions of a subcontract or invoice; and

(B) Ordinarily within 30 days of the submission of the Contractor's payment request to the Government;

(ii) Materials issued from the Contractor's stores inventory and placed in the production process for use on the contract;

(iii) Direct labor;

(iv) Direct travel;

(v) Other direct in-house costs; and

(vi) Properly allocable and allowable indirect costs as shown on the records maintained by the Contractor for purposes of obtaining reimbursement under Government contracts; and

(3) The amount of financing payments that the Contractor has paid by cash, check, or other forms of payment to subcontractors.

(e) Small business concerns. A small business concern may receive more frequent payments than every 2 weeks.

(f) Audit. At any time before final payment, the Contracting Officer may have the Contractor's invoices or vouchers and statements of costs audited. Any payment may be (1) reduced by any amounts found by the Contracting Officer not to constitute allowable costs or (2) adjusted for overpayments or underpayments made on preceding invoices or vouchers.

(End of clause)