

ORDER FOR SUPPLIES OR SERVICES

1. CONTRACT/PURCH. ORDER/ AGREEMENT NO. W9113M-04-D-0001	2. DELIVERY ORDER/ CALL NO. 0001	3. DATE OF ORDER/CALL 2004 Jan 07	4. REQ./ PURCH. REQUEST NO. TASK ORDER 0001	5. PRIORITY DX-A2
6. ISSUED BY US ARMY SPACE & MISSILE DEFENSE COMMAND [REDACTED] PO BOX 1500 HUNTSVILLE AL 35807-3801		7. ADMINISTERED BY DCM LOCKHEED MARTIN MISSILES & SPACE P.O. BOX 3504 SUNNYVALE CA 94088-3504		CODE S0543A

9. CONTRACTOR LOCKHEED MARTIN SPACE SYSTEMS COMPANY MISSILES AND SPACE OPERATIONS 1111 LOCKHEED MARTIN WAY SUNNYVALE CA 94088-3504	CODE 06887	FACILITY	10. DELIVER TO FOB POINT BY (Date) 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-COWEST 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 Govt. agency or in accordance with and subject to terms and conditions of above numbered contract.
	PURCHASE		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)
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If this box is marked, supplier must sign Acceptance and return the following number of copies:

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 \$27,000,000.00
		29. DIFFERENCES

26. QUANTITY IN COLUMN 20 HAS BEEN <input type="checkbox"/> INSPECTED <input type="checkbox"/> RECEIVED <input type="checkbox"/> ACCEPTED, AND CONFORMS TO THE CONTRACT EXCEPT AS NOTED DATE _____ SIGNATURE OF AUTHORIZED GOVT. REP. _____	27. SHIP NO.	28. DO VOUCHER NO.	30. INITIALS	33. AMOUNT VERIFIED CORRECT FOR
	<input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL	32. PAID BY		34. CHECK NUMBER
36. I certify this account is correct and proper for payment. DATE _____ SIGNATURE AND TITLE OF CERTIFYING OFFICER _____	31. PAYMENT <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL		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	UNIT PRICE	AMOUNT
0001			Dollars, U.S.		

CPAF

Miniature Kill Vehicle Development

PURCHASE REQUEST NUMBER: TASK ORDER 0001

ESTIMATED COST

BASE FEE

SUBTOTAL EST COST + BASE

MAX AWARD FEE

TOTAL EST COST + FEE

ACRN AA Funded Amount

\$23,500,000.00

\$3,500,000.00

\$27,000,000.00

\$15,000,000.00

FOB: Destination

Section C - Descriptions and Specifications

STATEMENT OF WORK

MINIATURE KILL VEHICLE SYSTEM DEVELOPMENT

TASK ORDER NUMBER 0001

1.0 TASK DESCRIPTION

This task order (TO) defines requirements for FY04 activities in support of the Miniature Kill Vehicle (MKV) System Development Program. The contractor shall perform kill vehicle (KV) development activities, carrier vehicle (CV) development activities, and system integration and test activities necessary to support the overall MKV Program objectives in accordance with the Statement of Objectives. Major milestones for this task order are a KV Critical Design Review in the fourth quarter of FY04 and a System Design Review in the last half of the year. The focus of activities under this task order will be on KV development with CV development proceeding but at a substantially lower level of effort.

With less than two years between start of the KV detailed design phase and hover testing, there will be time for only minimal component development. Use of readily available, low risk components will be emphasized. For higher risk key components, risk mitigation strategies must be maintained and kept available for contingency executions (after consultations with the Government) if necessary to meet program objectives.

2.0 TASK

2.1 Background

Prior to execution of this task, the contractor will have completed a system concept development effort that includes System Design Review I and the KV Preliminary Design Review.

Kill vehicle development and demonstration is the focus of the MKV program through completion of KV hover testing. However, since a major goal of the program is system level flight testing in the Pacific Test Bed, CV development and system integration and test planning to support this testing will be conducted in parallel, but at substantially lower levels.

2.2 Overall MKV Program Objectives

2.2.1 KV Objectives

KV1. Demonstrate navigation and flight to an assigned acquisition basket.

KV2. Demonstrate target acquisition, aimpoint selection, and terminal homing.

2.2.2 CV Objectives

CV1. Demonstrate weapon-to-target assignment and effective management of KVs.

2.2.3 System-level Objectives

S1. Demonstrate interception of multiple midcourse targets from a single launcher.

S2. Demonstrate successful integration into the existing ballistic missile defense system

2.3 Task Objective

The objective of this task is to continue KV detailed design and development culminating in a KV CDR and to support demonstrations of the overall program objectives and continue CV development and system integration and test activities at a low level leading to System Design Review II.

2.3.1 KV subtask

The contractor shall develop requirements and detailed designs for a KV for use in the flight test program. The contractor may develop new hardware and software components or may elect to infuse hardware and software components developed in previous and/or current technology efforts. To the maximum extent possible, the KV design presented at the CDR in the fourth quarter of FY04 will be the same as that for the KV that is planned to be hover tested in Task Order 2 and flight tested in future Tasks Orders. Long lead items to support the FY05 KV hover test shall be proposed as part of Task Order 1. Government approval will be required for any changes in the KV configuration proposed for any follow-on tasks.

2.3.2 CV subtask

The contractor shall conduct design and development activities to define a CV that provides sufficient functional capability to support the system level flight test demonstrations. Existing and readily available hardware and software subsystems and technology shall be used as much as possible. Periodic reviews of CV activities will be conducted under this task to assess the contractor's progress toward conducting a successful CV Preliminary Design Review under a future task.

2.3.3 System subtask

The effort during this period will consist of KV and CV requirements balancing and system design updates as the KV and CV designs mature. Both hardware and software interfaces will be matured commensurate with the fidelity necessary to support KV design needs through CDR.

System Design Review II shall be held prior to the KV Critical Design Review to ensure that the CV and KV designs are compatible or, if not, that potential conflicts are identified, reconciled, and controlled. System software development and interfaces will be preliminarily defined. Periodic In-Process Reviews will be conducted during both CV and KV design activities.

3.0 Deliverables

Briefing Packages	As Required
Monthly Report	Monthly
Cost Performance Report	Monthly
Contract Funds Status Report	Monthly
Design Review Data Package	As Required
Conference Minutes	As Required
Software Requirement Specification (KV Only)	As Required
Integrated Master Schedule	Monthly
System/Subsystem Specification	As Required
Configuration Management Plan	As Required
Data Accession List	As Required
System Safety Program Plan	As Required
System Safety Hazard Analysis Report	As Required

Software Test Plan		As Required
Interface Requirement Specification (KV-CV Interface Only)		As Required
Software Design Description	(KV Only)	As Required
Interface Design Description	(KV-CV Interface Only)	As Required

4.0 Program Management. The contractor shall implement a system to ensure integrated cost, schedule, and technical performance management and shall conduct periodic reviews to assess the degree of completion of technical and programmatic efforts. The contractor shall manage and track data and related correspondence and support interface/integration activities.

4.1 Integrated Cost, Schedule and Technical Performance Management. The contractor shall implement, document, and use an earned value based management system compliant with the contractor's earned value management system (EVMS) for integrated cost, schedule, and technical performance management. The contractor shall report EVMS information to the government using the cost performance report (CPR). The contractor shall flow down earned value management and reporting requirements to major subcontracts that, based on risk, schedule criticality, and dollar value, have the potential to impede the successful completion of the program. The contractor shall relate technical accomplishments with cost and schedule in contract performance reports and at reviews. The contractor shall maintain the contract work breakdown structure (CWBS) and the CWBS dictionary delivered with contract proposal.

4.2 Reviews. The contractor shall identify, conduct, and document reviews both formal and informal, to assess the degree of completion of technical and programmatic efforts related to major schedule milestones including, but not limited to design reviews, in-process reviews, and integrated baseline reviews. It is anticipated that formal technical reviews will be conducted quarterly. One copy of design review agenda and outline shall be submitted to the government for comments 30 days prior to the design review. The government will respond within 10 days of receipt of agenda and outline. One printed copy of material presented at reviews shall be provided to all review attendees. An electronic copy of all presentation materials shall be provided to each government and government support contractor represented. The contractor shall conduct a program review process to ensure complete insight into the program by the government. This review process shall include monthly informal cost, schedule, performance, and affordability status reviews and via e-mail weekly program status reports. The contractor shall identify milestones necessary for coordination of key elements and interfaces to accomplish an orderly, event-driven program. Actions items identified at reviews shall be documented, distributed, and tracked through an electronic database accessible by the government.

4.3 Data Management. The contractor shall manage the preparation, submittal, maintenance, and tracking of data and related correspondence to include the maintenance and submittal of a Data Accession List (DAL). The contractor shall develop and maintain the DAL in contractor format to provide a single objective repository of contractor and subcontractor analytic and technical information. It shall document evolution of KV and CV component and subsystem designs, traceability of performance requirements and their allocation to hardware and software configuration items, design margin assessments, component and subsystem test results, and integrated MKV system test results. The DAL shall reflect the current state of the MKV system design and be revised as the design matures. To facilitate data management, the contractor shall maintain requirements, engineering, logistics, and program data including a program management plan (PMP) and an integrated master schedule (IMS)] in an electronic database accessible by the government.

4.4 Interface/Integration Activities. The contractor shall provide technical support to the government in executing the MKV program. The contractor shall participate in technical interchange meetings and program management meetings as necessary.

4.5 Quality Assurance (QA). The contractor shall implement a quality assurance plan, IAW ISO 9001 and ISO 9000-3. The QA Plans specified by these requirements shall be included in the Data Accession List. The contractor's quality program shall ensure that all inspections/tests required by the contract requirements are contained in the contractor's production planning and manufacturing methods and are being performed and these same requirements must be flowed down to subcontractors and suppliers to ensure overall compliance to the contract.

4.6 Product Assurance (PA). The contractor shall plan and conduct a PA program that integrates PA requirements into the design, manufacture, and test of all MKV system hardware and software. The contractor's PA program shall be based on best practices to establish the necessary PA processes, controls, and approval authority to ensure that product quality, reliability, safety, and other system attributes are not comprised. Audits and analyses shall be conducted to ensure the major subcontractors and vendors are compliant with the PA program.

5.0 System Engineering. The contractor shall perform system engineering and specialty engineering to (1) define and allocate MKV system requirements and incorporate them into a design that derives and balances components, software, and simulation requirements; (2) ensure that design, development, test, data/data analysis; and performance demonstrations yield the results, documentation, and validated high fidelity simulation end products needed to satisfy the SOW. The contractor shall implement and maintain a PMP. The contractor shall maintain and provide to the government at specified intervals an IMS to manage all program activities described in the PMP.

5.1 Requirements. The contractor shall allocate requirements to the MKV design. This allocation shall be documented and maintained in the MKV System Specification and lower level specifications. As part of the requirements allocation process, the contractor shall conduct trade studies to assess affordability, producibility, and supportability by evaluating MKV performance requirements against projected or potential design, testing, manufacturing, maintenance, operations and support, and overall life cycle costs. The contractor shall define the MKV design margin assessment process and the reporting process for margin against the allocated performance requirements in the PMP. The contractor shall include requirements verification and validation plans for the integrated MKV system and major components, subsystems, ground support equipment, and interfaces to other test system elements in the PMP. The contractor shall provide the plans and processes for coupling requirements validation with design/critical issue resolution by integrating analysis, simulation, ground test, and flight test data. The PMP shall provide a risk assessment, mitigation, and management approach. The IMS shall establish the traceability from the PMP to the design, development, fabrication, integration, and test and evaluation planning to meet performance requirements.

5.2 Mission Planning and Test Requirements. The contractor shall plan a comprehensive and cost effective test program for the ground and flight tests. The contractor's test program shall consist of a logical sequence of ground and flight tests to validate and document performance of KV and CV components and the integrated MKV system as documented in the MKV System Specification and lower level specifications. Include particular emphasis on KV hover test and KV divert attitude control system static hot fire tests and HWIL tests that serve as precursors to the KV tests. The contractor shall ensure balance in the planning, development, and conduct of the test effort to meet system performance and safety requirements. The contractor shall define and document the ground and flight test objectives in the PMP. The contractor shall maintain the master test plan delivered with contract proposal.

5.3 Ground and Flight Test Planning. Ground and flight test planning shall include development of test schedules, master test planning per the PMP and IMS, and detailed test specifications/plans and procedures for major ground tests conducted under this Task Order. The contractor shall develop, as part of the test plan(s), a set of criteria by which the performance of components, subsystems, and integrated systems will be measured. Schedule risk mitigation techniques shall be employed. The contractor shall plan for test data acquisition,

handling, and analysis.

5.4 Configuration Management. The contractor shall develop and maintain a configuration management program to ensure control of the documentation, hardware and software that will be used in the program. A Configuration Management Plan (CMP) shall be prepared and implemented. The contractor's CMP shall describe the processes, methods, and procedures to be used to manage the functional and physical characteristics of the assigned configuration items (CI) under the program. The contractor shall implement a configuration control function that ensures regulation of the flow of proposed changes, documentation of the complete impact of the proposed changes, and release only of approved configuration changes into CI's and their related configuration documentation. The contractor shall also implement a configuration identification process to incrementally establish and maintain a definitive basis for control and status accounting for each CI throughout the program cycle. The KV and CV designs shall be controlled IAW the approved CMP not later than immediately following their respective CDRs.

6.0 Specialty Engineering. The contractor shall conduct specialty engineering efforts to execute the MKV program. Processes, methods, and procedures utilized to implement these specialty engineering activities shall be identified and defined in the PMP and IMS. Status of these efforts shall be discussed during program reviews.

6.1 Environmental, Safety, and Health. The contractor shall implement practices and initiatives throughout the life of the program to ensure that all program activities are environmentally compliant, that both system safety and health requirements are met, hazardous materials are minimized and controlled and that pollution prevention measures are observed. The ESH considerations to be addressed during design, fabrication, integration, testing and fielding shall address the following:

6.1.1 Environmental Protection. The contractor shall assist the Government's assessments required by the National Environmental Policy Act (NEPA) (42 USC 4321-4370d) implementing regulation 40 CFR 1500-1508 and 32 CFR Part 651. If necessary, the contractor shall provide a description of proposed contractor actions along with qualitative and quantitative data describing the constituent materials, emissions, effluents, wastes, and hazardous materials used in and produced from these activities.

6.1.2 Hazardous Material Management. The contractor shall not use, or require the use of substances listed in Emergency Planning and Community Right-to-Know Act (EPCRA) Section 313 "toxic chemicals" and EPCRA Section 302, "extremely hazardous substances" (available at: <http://www.epa.gov/ceppo/pubs/title3.pdf>) nor the use of substances identified in the EPA 17 list (available at: <http://www.epa.gov/opptintr/3350/33finb1.htm>) in the design, fabrication, integration, or test activities associated with the MKV program unless written approval is provided by the government via the engineering change process. The contractor shall not use any Class I Ozone Depleting Chemicals/Ozone Depleting Substances (ODC/ODS), listed at <http://www.epa.gov/ozone/ods.html>) in the manufacture of items required by this task order, unless a waiver is obtained from the government. The contractor shall minimize the use of other hazardous materials and Class II ODSs. The contractor shall provide immediate notification of any proposed hazardous material mitigation/elimination efforts that may adversely impact schedules, cost and/or performance. The contractor may use NAS411 as a guide for implementing a Hazardous Materials Management Program (HMMP). The HMMP will be prepared IAW DI-MISC-81398 and results of the HMMP shall be made available to the government IAW DI-MISC-81397.

The contractor shall prevent pollution to minimize program environmental and cost impacts and ensure that all pollutants whose generation cannot be prevented will be recycled or disposed of in an environmentally safe manner.

6.1.3 System Safety/Health: The contractor shall plan, develop and implement a System Safety/Health Program for the MKV IAW DI-SAFT-81626. The System Safety/Health Program shall be integrated with the concurrent engineering processes used to develop, mature and support the MKV System. The contractor shall use MIL-STD

882D, as tailored by AR 386-16 and AR 385-10, in determining whether System Safety/Health engineering objectives are met.

6.1.3.1. System Safety/Health Program Plan. The contractor shall develop a System Safety/Health Plan, that defines safety/health activities, relationships to other contractor organizations and the overall MKV Program.

6.1.3.2 Safety Hazard Analyses. The contractor shall develop and/or update System, Subsystem, Operating and Support and Software Safety (top level and detailed level) hazard analyses to address KV design or peculiar modifications IAW DI-SAFT-80101. Analyses shall identify design and procedural hazards of safety critical components and operations of the KV throughout its life cycle. The analysis efforts shall include a fault tree analysis of all catastrophic and critical events impacted by the KV design. A single hard copy of each final hazard analysis, complete with contractor's signed signature page shall be delivered to the Government for approval, IAW DI-SAFT-80101. Existing KV hazard analyses may be used to the fullest extent as applicable. The contractor shall institute a system for tracking hazards. This management control process should include the method to be used for determination of hazard resolution and safety compliance. Hazard resolution and safety compliance shall be demonstrated by evidence of implementing corrective actions to adequately control hazards. Data shall be made electronically available to the Government for residual risk acceptance

6.1.3.3 Eliminate or Reduce Hazards to Acceptable Levels. Hazards will be eliminated or reduced to an acceptable level through appropriate design and or materiel selection. Contractor shall use the following order of precedence to eliminate or control potential safety/health hazards.

a. Design for Minimum Risk – Unacceptable hazards and environmental conditions shall be eliminated or their associated risks mitigated by design when feasible.

b. Incorporate Safety Devices – Hazards or unacceptable environmental conditions that cannot be eliminated or controlled through design selection shall be controlled to an acceptable level of risk through the use of fixed, automatic or other protective safety design features or devices. Provision shall be made for periodic functional checks of safety devices.

c. Provide Warning Devices - Devices will be installed to detect hazardous or unacceptable environmental conditions that cannot be otherwise eliminated or controlled. Adequate warnings shall be provided to alert personnel of the hazard or unacceptable condition and afford sufficient time for personnel response.

d. Develop Procedure and Training – When all other reasonable possibilities of hazard resolution or environmental protection have been exhausted, procedural controls and specialized training may be used to counter hazardous or unacceptable environmental conditions and actions. Warning and inspections provisions and procedures will be used to detect and correct failures, malfunctions and, errors before the hazard or environmental damage manifests itself. In no case will a single warning or caution or other form of written advisory be the only form of risk reduction.

6.1.3.4 Insensitive Munition (IM). The MKV shall be designed to a Type V reaction in bullet and fragment impact, Fast Cook-Off and Slow Cook-Off tests and no Type I (detonation) reaction of acceptor in Sympathetic Detonation Test for final Government IM testing. The contractor shall make provisions within development plans to provide test assets in future task orders in the configuration specified in the government furnished IM test plan.

6.1.3.5 Explosives Hazard Classification. The contractor shall provide data for Interim Hazard Classification (IHC) IAW DI-SAFT-81299B.

6.1.3.6 Radioactive Material. No radioactive, carcinogenic, or highly toxic materials, as defined by 29 CFR (OSHA), current revision, shall be incorporated into the system without prior Government approval. A certification of compliance with this requirement shall be provided to government 30 days prior to CDR.

6.1.3.7 Contractor Facilities. All explosives and related dangerous material facilities and operations shall comply with DOD 4145.26-M for Privately Owned, Privately Operated (POPO) contractor facilities. If Government Owned, Contractor Operated (GOCO) facilities are used, the contractor shall comply with the providing service explosive standards.

6.1.3.8 Safety Tests. The contractor shall plan safety tests on all new or modified explosive items of the MKV system. The plans shall include drop tests (in packaged configuration) to verify (1) no functioning of any energetic portion of the KV and CV, (2) no rupture of the test item(s) which dislodges or disrupts explosives material, (3) the item is safe to handle and dispose of by normal EOD procedures and, (4) all safety devices remain in the safe condition. The contractor shall ensure safety test plans and strategies are compatible with GBI/EKV testbed and tactical system development safety requirements. An IM test program will be managed by the Government as described in paragraph 6.1.3.4. The contractor developmental plan shall include an asset (in packaged configuration) for the Government conducted test.

6.2 Operations Security. The contractor shall prepare an Operations Security (OPSEC) Plan or an Annex to a previously approved plan for the MKV program. The OPSEC Plan or Annex shall identify the perceived collection threat to the contractor's portion of the MKV program, essential elements of friendly information, identified vulnerabilities, and protective counter measures that the contractor will employ to protect relevant sensitive unclassified information.

6.3 Threat Intelligence Information. The contractor shall use government furnished threat definitions in all planning, analysis, and testing documents where intelligence and threat information is required. The contractor shall coordinate any additional requests for intelligence and threat materials through the contracting officer's representative (COR) to ensure that the most current Defense Intelligence Agency validated sources are used in planning, analysis, and testing documents. Threat positions or assessments developed by the contractor shall be submitted to the COR for approval and/or validation.

7.0 Facilities. The contractor shall perform analyses/studies required to define/modify existing facilities for ground testing. The contractor shall provide input for site surveys, environmental impact documentation, facilities planning, and preliminary facility design efforts if required.

8.0 Period of Performance: 7 January 2004 – 30 November 2004

9.0 Task Order Monitor

The Task Order Monitor for this effort is [REDACTED]

Section G - Contract Administration Data

ACCOUNTING AND APPROPRIATION DATA

AA: 9740400 2501 36-6011 P630603175C00 255Y JT4C402700 S01021 JT4C402700/4HHA05/H

AMOUNT: \$15,000,000.00

CLAUSES INCORPORATED BY FULL TEXT

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) Estimated funds required for full Task Order Performance: | <u>\$27,000,000</u> |
| (2) Amount Allotted Under the LOF Clause for Payment of Costs: |  |
| (3) Amount Separately Obligated for Award Fee: |  |
| (4) Total Amount Allotted and Obligated: | <u>\$15,000,000</u> |
| (5) Unfunded balance: | <u>\$ 12,000,000</u> |
| (6) Estimated Period of Performance the Allotted Amount Will Cover: | 15 May 2004 |

Section H - Special Contract Requirements

AWARD FEE DETERMINATION PLAN

Award Fee Determination Process

1. Performance Rating and Determination of Award Fee. The AFB will assess the contractor's performance in meeting the period-specific objectives for each of the evaluation categories. This assessment will be used to calculate the award fee that the AFB Chair will include in his/her recommendation to the FDO.

2. Award Fee Determination Procedures. The contractor shall furnish to the AFB such information as may be reasonably required to assist the board in evaluation of the contractor's work as follows:

a. Five (5) working days prior to the award fee evaluation meeting, the contractor shall electronically provide to the CO and AFB recorder a written self-assessment of its performance under the Contract Performance Element during the award fee period. This information shall include a complete evaluation on the contractor's efforts, accomplishments, products due and delivered for the period, problems, recommendations, costs incurred and any other data the contractor considers appropriate. Definitive and quantifiable data shall be provided. In addition, the Government may request an oral presentation of the contractor's self-assessment. The content of the oral presentation shall not be substantially different than the written self-assessment previously provided.

b. The Government Award Fee evaluation meeting will be held within forty-five (45) calendar days after the end of each award fee period. The AFB Chair will present the AFB's summary of the meeting and its recommendation to the FDO as soon as possible after the AFB meeting. After the Award Fee evaluation meeting, the AFB Chair will prepare a performance evaluation letter and present it to the Fee Determining Official for review and signature. The evaluation letter should include evaluation scoring and a written summary for each evaluation category.

c. The Contracting Officer will issue a unilateral modification to the contractor to provide the earned award fee.

D. Final Decision

Determinations of the Fee Determination Official, with respect to the amount of the award fee to be paid to the contractor and the methodology for determining the award fee, are unilateral decisions made solely at the discretion of the Government.

E. Payment of Award Fee

The contractor shall be paid award fee, if any awarded during the period, upon submittal of a proper invoice or voucher to DCAA (to be forwarded to the cognizant Payment Office), together with a copy of the unilateral modification to the contract authorizing payment of award fee for the applicable award fee period. The contractor's invoice must cite the appropriate accounting data in order for payment to be effected.

F. Award Fee Rollover

Rollover is not automatic and will be permitted only at the discretion of the Fee Determining Official.

G. Award Fee Base and Maximum Fee

The base fee for this effort is zero (0). The maximum award fee for this effort shall not exceed the maximum award fee dollars available. In the event that the contractor does not perform in accordance with the

performance objectives the FDO has discretion to award zero (0) award fee. The Award Fee pool will be reduced by 40% if the contractor overruns the estimated cost of this task order.

H. Termination for Convenience

In the event the contract is terminated in whole, or in part, for convenience of the Government, the contractor will be entitled to retain all award fee previously determined to be earned by the FDO prior to the effective date of such termination. Invoices in process for award fee earned, but not paid as of the effective date of termination will be paid by the Government as if the termination for convenience had not occurred. If the Government elects to terminate for convenience after the start of an award fee period, the award fee deemed earned and to be paid for this period will be determined by the FDO. The remaining award fee dollars for all periods subsequent to this termination, including mission success payments, shall not be considered available or earned, and therefore, shall not be paid.

I. Contract Performance Elements: The contractor's performance under Task Order 0001 will be measured in four (4) Functional Performance Areas (FPA) covering management, cost, schedule, and technical performance. The contractor's performance will be evaluated as set forth below:

Criteria Applicable to Task Order 0001

(i) Schedule (40%)

The contractor's performance will be evaluated in terms of its overall effectiveness in managing schedule of task order milestones. [REDACTED] emphasizes a proactive approach to schedule centered on planning and notification. Those aspects of schedule that may be considered are:

- a. Schedule data is accurate, complete, timely, consistent, understandable, traceable and integrated with subcontractor data;
- b. Efforts and success at performing within initial task order schedule estimates;
- c. Earned Value Management under delivery order is successfully integrated into overall program management and includes effective schedule variance analysis;
- d. Schedule milestone tracking and projections are accurate and prevent program impact; and
- e. Risk management is effectively used to gain insight and control schedules.

(ii) Technical Performance (30%)

The contractor will be evaluated in terms of its overall technical effectiveness in performing the task orders. [REDACTED] emphasizes a proactive approach to technical performance centered on components and their integration for use in MKV systems. Those aspects of technical performance that may be considered are:

- a. Technical performance of products in response to task order requirements;
- b. Responsiveness of products and solutions to changes in technical guidance/direction;
- c. Completeness of technical products;
- d. Consistency of technical solutions, products and interfaces with appropriate DOD, MDA and other applicable standards;
- e. Consistency of products with plans and requirements identified in related overall system engineering products and deliverables;
- f. Development and integration timelines of MKV solutions are optimized;
- g. Identification and management of configuration items and interfaces; and
- h. Successful integration and upgrade of items/components including items/components provided as GFP.

(iii) Cost (20%)

The contractor's performance will be evaluated in terms of its overall effectiveness in managing cost of task orders. [REDACTED] emphasizes a proactive approach to cost control centered on planning and notification. Those aspects of cost that may be considered are:

- a. Cost data is accurate, complete, timely, consistent, understandable, traceable and integrated with subcontractor data;
- b. Effective cost control and execution of concepts or initiatives which produce demonstrable reductions in cost without adding risk;
- c. Cost investment recommendations and decisions provide effective near and long term solutions;
- d. Cost estimates/proposals are realistic, current and adequate;
- e. Efforts and success at performing within initial delivery order cost estimates;
- f. Earned Value Management under delivery order is successfully integrated into overall program management and includes effective cost variance analysis; and
- g. Risk management is effectively used to gain insight and control costs.

(iv) Management (10%)

The contractor's performance will be evaluated in terms of its overall effectiveness in managing the task order. [REDACTED] emphasizes a proactive management and disciplined technical approach. Those aspects of management performance that may be considered are:

- a. Execution of integrated planning and scheduling documentation and activities, from initial planning through successful execution, with effective flow-down throughout the organization including subcontractors;
- b. Efforts to identify, communicate and resolve problems quickly;
- c. Responsiveness to Government requests for information;
- d. Coordination and integration with external agencies to support BMDS testing; and
- e. Effectiveness in executing common processes.

Rating Plan

i. In evaluating the performance under CLIN 0001 the following adjectival and numerical ratings will be used.

ADJECTIVE RATING	NUMERICAL RATING	CRITERIA
EXCELLENT	90-100	The contractor's performance significantly exceeds standards although there may be a few examples of performance only meeting the standards and/or needing improvements, all of which are minor, and they are more than offset by cited examples of performance significantly exceeding standards.
GOOD	80-89	The contractor's performance generally exceeds standards and more than offsets the cited examples of performance only meeting standards and/or needing improvement.
ACCEPTABLE	66-79	The contractor's performance meets standards. Any cited examples of performance exceeding standards are approximately offset by cited examples of performance needing improvement.
UNACCEPTABLE	65 or below	The contractor's performance is does not meet the standards and although there may be a few examples of performance exceeding and/or meeting standards they are more than offset by cited examples of not meeting

		standards.
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ii. The relationship of the numerical performance rating to the award fee earned is described below. A performance rating of 65 or below is deemed unacceptable and the contractor is not entitled to any award fee for that period.

$$.5 + [.5(\text{AWARD FEE SCORE} - 65)/35] \times \text{AWARD FEE POOL} = \text{AWARD FEE EARNED}$$

Exception: A numerical rating of 65 or below (UNACCEPTABLE) equates to zero (0) award fee earned.