

<b>AWARD/CONTRACT</b>		1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350)		RATING DX		PAGE OF PAGES 1   47	
2. CONTRACT (Proc. Inst. Ident.) NO. HQ0147-07-C-0196		3. EFFECTIVE DATE 22 Dec 2006		4. REQUISITION/PURCHASE REQUEST/PROJECT NO.			
5. ISSUED BY MISSILE DEFENSE AGENCY (MDA) CONTRACTS DIRECTORATE P.O. BOX 1500 HUNTSVILLE AL 35807-3801		CODE HQ0147	6. ADMINISTERED BY (If other than Item 5) DCMA LOCKHEED MARTIN SUNNYVALE P.O. BOX 3504 BLDG 154/COLUMN 2C4 SUNNYVALE CA 94088-3504		CODE S0543A		
7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, state and zip code) LOCKHEED MARTIN SPACE SYSTEMS COMPANY 1111 LOCKHEED MARTIN WAY SUNNYVALE CA 94089				8. DELIVERY [ ] FOB ORIGIN [X] OTHER (See below)			
				9. DISCOUNT FOR PROMPT PAYMENT			
CODE 06887				FACILITY CODE		10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN:	
11. SHIP TO/MARK FOR  See Schedule		CODE	12. PAYMENT WILL BE MADE BY DFAS COLUMBUS CENTER DFAS-COMEST ENTITLEMENT OPERATIONS P.O. BOX 182381 COLUMBUS OH 43218-2351		CODE HQ0339		
13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: [X] 10 U.S.C. 2304(c)(1) [ ] 41 U.S.C. 253(c)( )			14. ACCOUNTING AND APPROPRIATION DATA See Schedule				
15A. ITEM NO.	15B. SUPPLIES/ SERVICES		15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT	
<b>SEE SCHEDULE</b>							
<b>15G. TOTAL AMOUNT OF CONTRACT</b>						<b>\$619,179,334.00</b>	
<b>16. TABLE OF CONTENTS</b>							
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<b>CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE</b>							
17. [ ] CONTRACTOR'S NEGOTIATED AGREEMENT Contractor is required to sign this document and return copies to issuing office. Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein (Attachments are listed herein.)				18. [ ] AWARD (Contractor is not required to sign this document) Your offer on Solicitation Number			
19A. NAME AND TITLE OF SIGNER (Type or print)				20A. NAME AND TITLE OF CONTRACTING OFFICER BEVERLY FOWLER / CONTRACTING OFFICER TEL: 256-955-2277 EMAIL: Beverly.Fowler@mda.mil			
19B. NAME OF CONTRACTOR		19C. DATE SIGNED		20B. UNITED STATES OF AMERICA BY <i>Beverly Fowler</i> (Signature of Contracting Officer)		20C. DATE SIGNED 22-Dec-2006	
BY _____ (Signature of person authorized to sign)							

## Section B - Supplies or Services and Prices

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	THAAD Components for Fire Units CPIF/CPAF Delivery of Terminal High Altitude Area Defense (THAAD) Fire Unit Fielding (FUF) THAAD Element Interceptor, Launcher, Fire Control and Communications, and Peculiar Support Equipment in accordance with (IAW) Attachment I, Statement of Work paragraphs as described in SubCLINs 000101 through 000106, incorporated herein and attached as set forth in Part III, Section J. FOB: Destination				
				TARGET COST	\$550,724,399.00
				TARGET FEE	\$68,454,935.00
				TOTAL TGT COST + FEE	\$619,179,334.00
				MINIMUM FEE	\$0.00
				MAXIMUM FEE	\$100,000,000.00
				SHARE RATIO ABOVE TARGET (with deadband of \$16M)	70/30
				SHARE RATIO BELOW TARGET (with no deadband)	00/100

ITEM NO	SUPPLIES/SERVICES
000101	THAAD Interceptor Hardware Delivery of forty-eight (48) each THAAD Interceptors, two (2) Test Configured Missiles; and One-Shot Devices and Limited Life Items IAW Attachment I, Statement of Work paragraph 3.6. Hardware delivery as defined in Section F. The baseline value of the Missile Work Breakdown Structure is \$448.7M. FOB: Destination

ITEM NO SUPPLIES/SERVICES  
000102

THAAD Launcher Hardware

Delivery of six (6) each (includes one refurbished Launcher) THAAD Launchers IAW Attachment I, Statement of Work paragraph 3.5. Hardware delivery as defined in Section F. The baseline value of the Launcher Work Breakdown Structure is \$37.1M.

FOB: Destination

ITEM NO SUPPLIES/SERVICES  
000103

THAAD Fire Control and Comm (TFCC) H/W

Delivery of two (2) TSGs IAW Attachment I, Statement of Work paragraph 3.4. Hardware delivery as defined in Section F. The baseline value of the TFCC Work Breakdown Structure is \$11.7M.

FOB: Destination

ITEM NO SUPPLIES/SERVICES  
000104

Integration and Functional Support

Conduct of THAAD Fire Unit Fielding THAAD Element Integration and Checkout (EICO), and Functional Support IAW Attachment I, Statement of Work paragraph 3.13.

FOB: Destination

ITEM NO SUPPLIES/SERVICES  
000105

THAAD Training Devices

Delivery of thirty-two (32) each THAAD Weighted, and sixteen (16) each THAAD Non-weighted (without MRES) Missile Round Trainers IAW Attachment I, Statement of Work paragraph 3.15.4. Hardware delivery as defined in Section F.

FOB: Destination

ITEM NO SUPPLIES/SERVICES  
000106

THAAD Integ Logistics Spt Initial Spares  
Delivery of ILS TFCC, PSE, and Launcher Spares; and the Battery Support Center  
(BSC) and Interim Contractor Support System (ICSS) IAW Attachment I,  
Statement of Work paragraphs 3.15.3, 3.7.1, and 3.7.2, respectively. Hardware  
delivery as defined in Section F. The baseline value of the ILS Work Breakdown  
Structure is \$18.6M, and includes initial spares)  
FOB: Destination

ITEM NO SUPPLIES/SERVICES  
000107

CPIF Incentive Fee for CLIN 0001  
CPIF  
FOB: Destination

AMOUNT

TARGET FEE

\$41,072,961

ITEM NO SUPPLIES/SERVICES  
000108

CPAF Award Fee for CLIN 0001  
CPAF  
FOB: Destination

AMOUNT

MAX AWARD FEE

\$27,381,974

ITEM NO SUPPLIES/SERVICES  
000109

FY07 Funding for CLIN 0001  
FOB: Destination  
ACRN AA  
CIN: 00000000000000000000000000000000

AMOUNT

\$85,400,000.00

ITEM NO SUPPLIES/SERVICES  
0002

AMOUNT  
NSP

Contract Data Requirements List (CDRLs)

Data requirement in support of CLIN 0001, IAW Exhibit A, CDRL Data Items

A001 through A031, DD Form 1423, incorporated herein and attached as set forth in Part III, Section J. NOT SEPARATELY PRICED.

FOB: Destination

**B-03 CONTRACT TYPE (MAY 2005)**

**B-03 CONTRACT TYPE (MAY 2005)**

**CPIE/AF COMPLETION TYPE COST REIMBURSEMENT CONTRACT:**

a. This contract provides for payment of fee on an incentive fee basis as determined by cost performance (see Section H, H-20 Clause 52.216-10 in full text) and on an award fee basis for performance of the effort required by the contract in accordance with the guidance set forth in Special Provision H-01. The fee pool will be 60% incentive fee and 40% award fee.

b. Performance of Contract Line Item Number (CLIN) 0001 shall be accomplished on a completion basis as defined in FAR 16.306(d)(1). Incentive fee and award fee payments are provisional and are not final. Incentive fee and award fee payments will not become final unless and until the contractor performs in accordance with the Section F Milestones and delivers all data required by CLIN 0002 and such are accepted by the Government as being satisfactory. In the event the effort cannot be completed by the contractor within the estimated cost of CLIN 0001, the Government may require completion of the effort without increase in fee, provided the Government increases the estimated cost of the CLIN under the LIMITATION OF COST or FUNDS contract clause.

Section D - Packaging and Marking

PACKAGING AND MARKING

**D-01. PACKAGING AND MARKING:**

The Contractor shall utilize best commercial practices for preservation, packaging, marking, and labeling. Packaging and marking of hazardous material shall comply with Title 49 of the Code of Federal Regulations and the International Maritime Organization's International Maritime Dangerous Goods code.

## Section E - Inspection and Acceptance

## CLAUSES INCORPORATED BY REFERENCE

52.246-3	Inspection Of Supplies Cost-Reimbursement	MAY 2001
52.246-8	Inspection Of Research And Development Cost Reimbursement	MAY 2001
252.246-7000	Material Inspection And Receiving Report	MAR 2003

## CLAUSES INCORPORATED BY FULL TEXT

**E-01. 52.246-11 - HIGHER-LEVEL CONTRACT QUALITY (FEB 1999)**

The Contractor shall comply with the higher-level quality standard AS9100 or equivalent.

ACCEPTANCE**E-02. ACCEPTANCE:**

a. CLIN 0001: Each unit of hardware, at the time it is delivered, shall be accompanied by the "As Design/As Built" reports (i.e., prime and subcontractors) to drawing revision level and software build, to include firmware revision.

INSPECTION & ACCEPTANCE POINT**E-03. INSPECTION AND ACCEPTANCE POINT:**

Inspection and Acceptance for CLIN 0001 will be by the Government as identified in Section F.

## Section F - Deliveries or Performance

## CLAUSES INCORPORATED BY REFERENCE

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

MILESTONE EVENTS & PERF PERIOD**F-01. MILESTONE EVENTS AND PERFORMANCE PERIOD:**

The contractor shall accomplish the following milestone events within the specified performance period to assure timely completion of total contract requirements:

<u>MILESTONE EVENT</u>	<u>WITHIN MONTHS AFTER DATE OF CONTRACT</u>
IBR	6
Element Integration and Check-Out (EICO) FU #1	30
48 <sup>th</sup> Fire Unit Interceptor Successfully Delivered	49

COMPLETION OF REQUIREMENT**F-02. COMPLETION OF REQUIREMENT:**

a. The contractor shall complete the tasks required by CLIN 0001, and complete delivery of all material/equipment, data/software, and reports required by CLIN 0002 within fifty (50) months after the effective date of the contract. (21 February 2011)

b. CLIN 0001 will be considered complete based upon a determination that all data and reports have been submitted and accepted, as set forth in Block 8 of each exhibit line item number of the DD Form 1423.

PLACE AND METHOD OF DELIVERY**F-03. PLACE AND METHOD OF DELIVERY:**

a. The Contractor shall deliver all hardware listed in the clause entitled "Hardware Delivery Schedule" to the designated location(s) identified in the clause via DD Form 250. The F.O.B point and address are also identified in the clause entitled "Hardware Delivery Schedule".

b. The contractor shall be responsible for the CONUS transportation/Material Handling Equipment (MHE), storage, operational maintenance, security, technical escorts, licensed drivers, movement in and around ranges and necessary preparation for transport of all Fire Unit hardware and software assets produced under the Fire Unit Fielding contract that will be utilized in the SIL and EICO 1 or EICO 1a until such time as the assets are turned over to the government by DD Form 1149 following each EICO demonstration.

c. The Contractor shall deliver the reports and data specified in the Contract Data Requirements List, DD Form 1423, transportation charges paid, and addressed to the attention of offices by symbol as shown in Block 14 of



each DD Form 1423. Each DD Form 1423 will address the applicable CLIN in Block 16 Remarks. The Contractor is required to indicate the CDRL number and applicable CLIN number on the transmittal notification and CDRL documentation. Delivery of the CDRLs shall be on EDAMS or other allowable means (CITIS) as defined by SOW paragraph 3.9.7, unless otherwise specified on the individual DD Form 1423. The contractor shall provide email notification to the Government addresses listed on the DD Form 1423, that a CDRL has been posted. A CDRL shall not be considered delivered until notification is received. Furthermore, the Contractor shall be responsible for ensuring that quality control procedures are in place for validating accuracy of electronically transmitted data; and shall ensure that these data products are of sufficient quality that EDAMS/CITIS users can read the document both online and printed. If quality is an issue on a particular document, the Contractor will deliver hard copies as required while efficiently and effectively correcting the quality issue.

#### HARDWARE DELIVERY SCHEDULE

##### F-04. HARDWARE DELIVERY SCHEDULE:

a. The following list includes hardware to be delivered and accepted via DD Form 250:

CLIN	HARDWARE DESCRIPTION	ESTIMATED DATE OF DELIVERY	QUANTITY	SHIP TO ADDRESS	POINT OF DESTINATION OR ORIGIN
000101	THAAD Interceptor for Transfer to DASG60-00-C-0072	2nd Qtr FY09	2	Vandenburg AFB	Inspection and Acceptance at Origin Troy, AL
000101	THAAD Interceptors for Fire Unit # 1 and Fire Unit # 2	Fire Unit # 1 deliveries begin 3 <sup>rd</sup> Qtr FY09. Initial 8 due by end of 1st Qtr FY10. Fire Unit # 2 deliveries begin 2nd Qtr FY10 (Initial Delivery)	24  24	W31G1Z (DODAAC) Anniston Army Depot Anniston Defense Munitions Center BLDG 380 Anniston, AL 36201-4199	Inspection and Acceptance at Origin Troy, AL
000103	Tactical Station Group (TSG) for Fire Unit #2	FU #2: 3rd Qtr FY09	2	Transportation Officer HQ US Army Air Defense Artillery Center ATTN: ATZC-ISL-TM Fort Bliss, TX 79916-0058 Mark For: W45NSU SR Supply and Services Div D/X	Inspection and Acceptance at Origin Troy, AL

				ACTPO Bldg 2527 ATTN: Tony Compana, 915- 569-5570 (THAAD Logistics Field Office)	
000102	THAAD Launchers for Fire Unit #1 and Fire Unit # 2	FU #1: 2nd Qtr FY09 FU #2: 3rd Qtr FY09	3*  3       *One Refurbished, 2 New.	Transportation Officer HQ US Army Air Defense Artillery Center ATTN: ATZC- ISL-TM Fort Bliss, TX 79916-0058 Mark For: W45NSU SR Supply and Services Div D/X ACTPO Bldg 2527 ATTN: Tony Compana, 915- 569-5570 (THAAD Logistics Field Office)	Contractor to provide address.
000106	THAAD Fire Unit # 1 and #2 Initial Spares  Reference Section J – Attachment 12	#1: 2 <sup>nd</sup> Qtr FY09 #2: 3 <sup>rd</sup> Qtr FY10	1 Lot  1 Lot	<b>THAAD CLS Service Center Building 2488 Attn: Room 212 Chaffee Road Ft. Bliss, TX 79916</b>	<i>Inspection and Acceptance at Origin: Contractor to provide address.</i>
000105	Missile Round Trainers for FU#1 and FU#2	1 <sup>st</sup> Qtr FY09 and 1 <sup>st</sup> Qtr FY10	16 weighted  16 weighted	THAAD CLS Service Center Building 2488 Attn: Room 212 Chaffee Road Ft. Bliss, TX 79916	<i>Inspection and Acceptance at Origin: Contractor to provide address.</i>
000105	Missile Round Trainers for FU#1 and FU#2	1 <sup>st</sup> Qtr FY09 And 1 <sup>st</sup> Qtr FY10	8 unweighted  8 unweighted	THAAD CLS Service Center Building 2488 Attn: Room 212 Chaffee Road Ft. Bliss, TX 79916	<i>Inspection and Acceptance at Origin: Contractor to provide address.</i>
000106	Peculiar Support Equipment less Interim Contractor Support System (ICSS)	1st Qtr FY10	1 Lot	THAAD CLS Service Center Building 2488 Attn: Room 212 Chaffee Road Ft. Bliss, TX 79916	<i>Inspection and Acceptance at Origin: Contractor to provide address.</i>

	Reference Section J – Attachment 14d				
0001	TEC (Updated)	1 <sup>st</sup> Qtr FY 09	1 Lot	Commander U.S. Army RDECOM Software Engineering Directorate Hackberry Road ATTN: AMSRD- AMR-BA-PM Security Office or Richard Ciliax Redstone Arsenal, AL 35898	<i>Inspection and Acceptance at Origin: Contractor to provide address.</i>
000106	Fire Unit # 2 PSE Initial Spares  Reference Section J – Attachment 12	2nd Qtr FY 10	1 Lot	THAAD CLS Service Center Building 2488 Attn: Room 212 Chaffee Road Ft. Bliss, TX 79916	<i>Inspection and Acceptance at Origin: Contractor to provide address.</i>
000101 One Shot Devices	FDD Assembly	1 <sup>st</sup> Qtr FY09 If multiple lots are required, initial delivery will be as shown above; subsequent delivery will complete prior to contract end.	6	Transportation Officer Explosive Storage/Demolition Branch Bldg 8700 Redstone Arsenal, AL 35898	<i>Inspection and Acceptance at Origin: Contractor to provide address.</i>
000101 One Shot Devices	SDS Assembly	1 <sup>st</sup> Qtr FY09 If multiple lots are required, initial delivery will be as shown above; subsequent delivery will complete prior to contract end.	6	Transportation Officer Explosive Storage/Demolition Branch Bldg 8700 Redstone Arsenal, AL 35898	<i>Inspection and Acceptance at Origin: Contractor to provide address</i>
000101 One Shot Devices	Laser Initiated Squib (LIS)	1 <sup>st</sup> Qtr FY09 If multiple lots are required,	25	Transportation Officer Explosive Storage/Demolition Branch Bldg 8700	<i>Inspection and Acceptance at Origin:</i>

		initial delivery will be as shown above; subsequent delivery will complete prior to contract end.		Redstone Arsenal, AL 35898	<i>Contractor to provide address</i>
000101 One Shot Devices	Laser Initiated Detonator (LID)	1 <sup>st</sup> Qtr FY09 If multiple lots are required, initial delivery will be as shown above; subsequent delivery will complete prior to contract end.	25	Transportation Officer Explosive Storage/Demolition Branch Bldg 8700 Redstone Arsenal, AL 35898	<i>Inspection and Acceptance at Origin: Contractor to provide address</i>
000101 One Shot Devices	Boost Motor-Full Assy (w/o TVA)	3rd Qtr FY10	<i>Representative Sample – one from 1<sup>st</sup> half of production; and one from 2<sup>nd</sup> half of production.</i>	Transportation Officer Explosive Storage/Demolition Branch Bldg 8700 Redstone Arsenal, AL 35898	<i>Inspection and Acceptance at Origin: Contractor to provide address</i>
000101 One Shot Devices	Boost Motor Igniter (with 2 BMI's per assy.)(live)	3rd Qtr FY10	25	Transportation Officer Explosive Storage/Demolition Branch Bldg 8700 Redstone Arsenal, AL 35898	<i>Inspection and Acceptance at Origin: Contractor to provide address</i>
000101 One Shot Devices	Boost Motor Initiator (BMI)	1 <sup>st</sup> Qtr FY09 If multiple lots are required, initial delivery will be as shown above; subsequent delivery will complete prior to contract end.	25	Transportation Officer Explosive Storage/Demolition Branch Bldg 8700 Redstone Arsenal, AL 35898	<i>Inspection and Acceptance at Origin: Contractor to provide address</i>
000101 One Shot Devices	Boost Motor – O-ring w/grease	1 <sup>st</sup> Qtr FY09	125 (25 of each type)	Transportation Officer Explosive Storage/Demolition Branch Bldg 8700	<i>Inspection and Acceptance at Origin:</i>

				Redstone Arsenal, AL 35898	<i>Contractor to provide address</i>
000101 One Shot Devices	Boost Motor – Propellant Cartons (large 9x9x9 carton version)	Initial Delivery 1 <sup>st</sup> Qtr FY09; subsequent deliveries as mixes are completed	36 (4 cartons per propellant mix)	Transportation Officer Explosive Storage/Demolition Branch Bldg 8700 Redstone Arsenal, AL 35898	<i>Inspection and Acceptance at Origin: Contractor to provide address</i>
000101 One Shot Devices	Separation Motor – complete unit	1 <sup>st</sup> Qtr FY09	10	Transportation Officer Explosive Storage/Demolition Branch Bldg 8700 Redstone Arsenal, AL 35898	<i>Inspection and Acceptance at Origin: Contractor to provide address</i>
000101 One Shot Devices	Separation Motor – O-ring	1 <sup>st</sup> Qtr FY09	25	Transportation Officer Explosive Storage/Demolition Branch Bldg 8700 Redstone Arsenal, AL 35898	<i>Inspection and Acceptance at Origin: Contractor to provide address</i>
000101 One Shot Devices	KV Battery	1 <sup>st</sup> Qtr FY09 If multiple lots are required, initial delivery will be as shown above; subsequent delivery will complete prior to contract end.	15	Transportation Officer Explosive Storage/Demolition Branch Bldg 8700 Redstone Arsenal, AL 35898	<i>Inspection and Acceptance at Origin: Contractor to provide address</i>
000101 One Shot Devices	Interstage Battery	1 <sup>st</sup> Qtr FY09 If multiple lots are required, initial delivery will be as shown above; subsequent delivery will complete prior to contract end.	6	Transportation Officer Explosive Storage/Demolition Branch Bldg 8700 Redstone Arsenal, AL 35898	<i>Inspection and Acceptance at Origin: Contractor to provide address</i>
000101 One Shot	TVA Battery	1 <sup>st</sup> Qtr FY09 If multiple lots are	15	Transportation Officer Explosive Storage/Demolition	<i>Inspection and Acceptance at</i>

Devices		required, initial delivery will be as shown above; subsequent delivery will complete prior to contract end.		Branch Bldg 8700 Redstone Arsenal, AL 35898	<i>Origin: Contractor to provide address</i>
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b. The following list includes hardware to be delivered via DD Form 1149:

CLINS	HARDWARE DESCRIPTION	ESTIMATED DATE OF DELIVERY	SHIP TO ADDRESS
0010	Interim Contractor Support System (ICSS)	1 <sup>st</sup> Quarter FY10	THAAD CLS Service Center Building 2488 Attn: Room 212 Chaffee Road Ft. Bliss, TX 79916

## Section G - Contract Administration Data

INVOICING AND VOUCHERING**G-01. INVOICING AND VOUCHERING:**

a. When authorized by the Defense Contract Audit Agency (DCAA) in accordance with DFARS 242.803(b)(i)(C), the contractor may submit interim vouchers directly to paying offices. Such authorization does not extend to the first and final vouchers. Submit first vouchers to the cognizant DCAA office. Final vouchers will be submitted to the ACO with a copy to DCAA.

b. Upon written notification to the contractor, DCAA may rescind the direct submission authority.

c. Should the contractor decline to submit interim vouchers directly to paying offices or if the contractor receives written notification that DCAA has rescinded the direct submission authority, public vouchers, together with any necessary supporting documentation, shall be submitted to the cognizant Defense Contract Audit Agency (DCAA) Office, prior to payment by the Finance and Accounting Office specified in Block 12, Page 1, Section A, of Standard Form 26.

d. The contractor shall identify on each public voucher: The accounting classification reference number (ACRN) assigned to the accounting classification which pertains to the charges billed, e.g. "ACRN: AA;" and the applicable CLIN.

e. CPIF CLIN 0001/SubCLIN 000107: The contractor may include in provisional vouchers target fee based on the percentage of work completed, subject to the withholding reserve of the contract clause titled "Incentive Fee." The Contracting Officer may elect to withhold or accelerate fee payment based upon the Contractor's actual performance as compared to the milestone events target dates as set forth in Section F hereof.

f. CPAF CLIN 0001/SubCLIN 000108: The contractor may submit vouchers for provisional payments of Contract Performance Elements (CPE), Key Performance Events (KPEs), and Mission Success Element (MSE) pool amounts as identified in the column "Available Award Fee Pool Dollars," subject to later reconciliation against the Government's formal award fee determinations and based on the following formula:

- (1) Initial award fee period:
  - Total Available award fee dollars for the initial period, to include initial period only KPE.
  - Multiply by .50 (50% of award fee may be billed prior to final determined award fee earned amount).
  - Divided by 6 (1/6 of 50% may be billed monthly during a 6 month award fee period).
- (2) Subsequent award fee periods:
  - Total Available award fee dollars for the evaluation period.
  - Multiply by .80 of the evaluation score for the prior evaluation period
  - Divided by 6 (1/6 of the resulting percentage may be billed monthly during a 6 month award fee period).
- (3) Subsequent award fee periods for KPEs:
  - KPE's may only be billed in the fiscal year of planned completion, and upon notification by the Award Fee Board Chairman 15 days prior to the execution of the award fee period.
  - Total KPE award fee dollars planned for the award fee period.
  - Multiply by .80 of the evaluation score for the prior evaluation period.
  - Divided by 6 (1/6 of the resulting percentage may be billed monthly during a 6 month award fee period).

The Contracting Officer may reduce or suspend these provisional award fee payments based on an interim assessment/determination that the contractor's CPE, KPE, and MSE performance is less than acceptable. Final billings

for award fee earned may be presented subsequent to the issuance of a contract modification providing the amount of award fee earned.

g. A copy of each voucher, together with any necessary supporting documentation, shall also be submitted to the issuing office specified in Block 5, Page 1, Section A of Standard Form 26 and to the THAAD Project Office, ATTN: MDA/THPC, concurrently with submission to the DCAA.

h. The Paying Office shall ensure that the voucher is disbursed for each ACRN as indicated on the voucher (or as specified herein).

## ACCOUNTING AND APPROPRIATION DATA

AA: 9770400.2501 BM-THAD 40603881C00.0907 255Y TH7PR4FAA8 S01021 TH7PR4FAA8/7THEMD/TH  
 AMOUNT: \$85,400,000.00  
 CIN 00000000000000000000000000000000: \$85,400,000.00

### ID OF CORRESPONDENCE

#### **G-02. IDENTIFICATION OF CORRESPONDENCE:**

All correspondence and data submitted by the contractor under this contract shall reference the contract number.

### CONTRACTING ACTIVITY REPS

#### **G-03. CONTRACTING ACTIVITY REPRESENTATIVES:**

	Contractual Matters	Technical Matters
NAME:	Beverly Fowler	Scott Shifrin
ORGANIZATION CODE:	MDA/DACD	MDA/TH
TELEPHONE NUMBERS:	256-955-2277	256-955-2268
COMMERCIAL:		
DEFENSE SWITCHED NETWORK (DSN):	645-2277	645-2268
EMAIL:	Beverly.fowler@mda.mil	scott.shifrin@mda.mil

### IMPLEMENTATION OF LOF

#### **G-04. IMPLEMENTATION OF LOF – CLIN 0001 - IMPLEMENTATION OF AND EXPLANATION OF THE RELATIONSHIP OF THE LIMITATION OF FUNDS (LOF) CLAUSE TO INCENTIVE FEE/AWARD 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. 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.



CLINs 0001 and 0002:

<i>(1) Estimated funds required for full performance:</i>	
(a) Target Cost	\$550,724,399
(b) Target Fee	\$ 41,072,961
(c) Award Fee	\$ 27,381,974
(d) CPIF/CPAF Amount	\$619,179,334
<i>(2) Funds presently available for payment:</i>	
(a) Estimated Cost	\$74,725,000
(b) Target Fee	\$ 6,405,000
(c) Award Fee	\$ 4,270,000
(d) CPIF/CPAF Amount	\$85,400,000
<i>(3) Unfunded Balance:</i>	
(a) Estimated Cost	\$475,999,399
(b) Target Fee	\$ 34,667,961
(c) Award Fee	\$ 23,111,974
(d) CPIF/CPAF Amount	\$553,779,334

## Section H - Special Contract Requirements

AWARD FEE**H-01. AWARD FEE:**

The award fee will be provided to the contractor through contract modifications and is in addition to the incentive fee provisions of the contract. The award fee earned and payable will be determined by the Fee Determining Official (FDO) based upon review of the contractor's performance against the criteria set forth in paragraph 6 below. The FDO may unilaterally change the criteria, with the exception of established Key Performance Events (KPEs) and associated fee allocation, prior to the beginning of an evaluation period. The contractor will be notified of changes and/or specific areas of emphasis and performance expectations by the Contracting Officer (CO), in writing, 15 days prior to the start of the affected evaluation period. For the first award fee period, the CO will notify the contractor in writing of changes to the plan and/or specific areas of emphasis within 15 days after the start of the first award fee period. Changes to award fee criteria and evaluation percentages after the start of all subsequent award fee periods, as well as changes to KPEs and their associated fee, will be incorporated by mutual consent of both parties.

**1) AWARD FEE PROCESSES**

- a. Available Award Fee Amount. The available award fee for each evaluation period is shown in paragraph 7 below. The award fee earned will be paid based on the contractor's performance of the CPEs and the MSEs during each evaluation period, as well as the evaluation of any KPEs which were completed during the evaluation period. Each evaluation period is six (6) months in duration with the exception of the first and last periods which will be seven (7) months.
- b. Evaluation Criteria. If the CO does not give specific notice in writing to the contractor of any change to the evaluation criteria prior to the start of a new evaluation period, then the same criteria listed for the preceding period will be used in the subsequent award fee evaluation period. Any changes to the overall evaluation criteria will be made by notifying the contractor via letter. The Government may unilaterally change (1) the CPEs, and/or the MSEs; (2) the evaluation criteria/factors under the CPEs and/or MSEs; (3) the distribution of the available CPE and/or MSE award fee dollars; (4) the relative importance of the CPEs, including the weightings; (5) the relative importance, including percentage weightings, of the CPEs or MSEs and/or (6) the definition of the adjective ratings, by providing written notice to the contractor at least 15 days prior to the beginning of the evaluation period in which such change becomes effective.
- c. Mid-Term/Interim Evaluation Process. The Award Fee Review Board (AFRB) determines the interim evaluation results and the AFRB Chairperson provides an interim award fee performance briefing or letter to the contractor. The CO may also issue letters at any other time when it is deemed necessary to highlight areas of Government concern.
- d. End-of-Period Evaluations. The FDO determines the overall grade and earned award fee amount for the evaluation period after each evaluation period. This subjective decision as to the amount of fee earned shall be unilateral and final, subject to the Disputes clause of the contract. The FDO letter informs the contractor of the earned award fee amount. The CO issues a contract modification within three (3) business days after the FDO's decision is made authorizing payment of the earned-award fee amount (approximately ninety (90) days after the award fee period ends). Any unearned award fee will be removed from the contract (i.e. no roll-over provision).
- e. Contractor's Participation. In lieu of a self-assessment, contractor participation will be permitted in the award fee evaluation board as a non-voting member. The contractor is authorized one representative

**2) AWARD FEE CHANGE PROCEDURE**

All changes are approved by the FDO. The AFRB Chairperson can make recommended changes to the FDO. The FDO will direct the CO to make changes as necessary. The contractor may recommend changes to the CO no later than 20 days prior to the beginning of the new evaluation period. After approval, the CO shall notify the contractor

in writing of any change(s). Unilateral changes may be made to the award fee plan IAW paragraph 1b above. Changes effecting the current evaluation period must be by mutual agreement of both parties.

### 3) CONTRACT TERMINATION

If the contract is terminated for the convenience of the Government after the start of an award fee evaluation period, the award fee deemed earned for that period shall be subjectively determined by the FDO using the normal award fee evaluation process. After termination for convenience, the remaining award fee amounts allocated to all subsequent award fee evaluation periods cannot be earned by the contractor and, therefore, shall not be paid.

### 4) BASE FEE

The base fee for this effort is zero (0). In the event that LMSSC does not perform in accordance with the performance objectives, the FDO has the discretion to award zero (0) award fee.

### 5) ROLLOVER

All unearned award fee will be removed from the contract value. Rollover provisions are not included in this plan.

### 6) EVALUATION CRITERIA

<u>Award Fee Criteria</u>	<u>Percentage Weighting</u>
Contract Performance Element (CPE):	25%
Cost Management (60% of the CPE 25%)	
Program/Technical Management (40% of the CPE 25%)	
Key Performance Event (KPE) Element Pool	45%
Mission Success Element (MSE)	30%

g. Descriptions of the Award Fee Elements. The CO will provide the contractor notice in writing of any change to the evaluation criteria within the award fee elements, as well as, any specific areas of emphasis and performance expectations 15 days prior to the start of an evaluation period.

(1) CPEs subjectively assess contractor performance in two areas which are Program/Technical Management and Cost Management. MDA emphasizes a proactive approach to cost management focused on early planning and notification as described below.

a. Cost Management: Timely and accurate cost data reporting; traceability of the data within and between reports; Earned Value Management; proactive notification to the program office of projected cost overruns or under-runs with fully documented rationale; Contractor efficiently manages proposal costs. Contractor consistently anticipates possible sources of cost overruns. Provides narratives that explicitly address both current and future programmatic and cost impacts of the current cost performance to include successfully forecasting cost trends. Contractor utilizes sound business practices to evaluate cost trends as part of the management decision process.

b. Program/Technical Management: Implementing program plans that effectively demonstrate integrated assessments; establishing clear and effective team responsibilities and interrelations (IPPD Management); maintaining open/honest communication and coordination with both Government and contractor partners; using existing methodologies for identifying cost, schedule, performance and risk management issues and tradeoffs; program execution via thorough integrated plans, schedule management and performance, as evidenced by on-time delivery of hardware and software, and activities with effective flow-down throughout the organization including suppliers; customer satisfaction; efficient and effective proposal turnaround and alpha contracting; delivering high

quality hardware/software by demonstrating effective teaming with suppliers; compliance with security program operating requirements and compliance with applicable counterintelligence guidance; maintains efficient and effective configuration control of manufacturing hardware and software; efficiently manages the manufacturing contract so as to not negatively impact related contracts (i.e. Development) by synchronizing and deconflicting effort.

(2) KPEs: The Key Performance Events, planned completion date, and their associated fee are shown in subparagraph h., Award Fee Allocation. When a key performance event in the list occurs, the FDO will subjectively determine the amount of fee earned and notification will be provided as part of the final evaluation for the award fee period in which the event occurred. The award fee earned will be subjectively determined based on technical and schedule performance of all contributing activities and enablers leading up to and executing the KPE.

(3) MSEs: Timely and effective performance of elements critical to successful THAAD performance. The MSEs include MDA Assurance Implementation Provisions (MAIP) compliance; Acceptance Test Planning (ATP) of component HW/SW; quality process controls and metrics; Technical Interchange Meetings (TIM) and Manufacturing Reviews conducted as scheduled with timely closure of action items; successful manufacturing process verifications and qualification tests; subcontractor/supplier management to include flow-down of requirements, quality and configuration audits to include source inspections, and Pre-Ship reviews for hardware acceptance; obsolescence management; timely and effective preventative and corrective actions; comprehensive failure reporting, analysis, and corrective action system (FRACAS); effective environmental stress screening (ESS) program; validated and approved special inspection and test equipment used for Government acceptance; effective communication and support in response to vendor request for information or change (VRIC) and to TPO/DCMA activities required for the acceptance process of deliverables; reconciled as designed vs. as-built records; control of nonconforming hardware; parts identification and traceability; accurate certified round data management (CRDM) system; THAAD Parts Review Board (TPRB) approval of all parts, materials, and processes; proactive foreign object debris and damage prevention program; control of quality records and data retention; data sharing and providing Government access through the contractor information technical interchange system (e.g., EDAMS); compliance to the THAAD Program Environmental and Safety Provisions; system verification through the System Integration Lab (SIL) assuring a successful Element Integration and Checkout (EICO); obsolescence identification and management.

#### 7) AWARD FEE ALLOCATION BY EVALUATION PERIODS

The award fee earned by the contractor will be subjectively determined at the completion of evaluation periods shown below. The percentage and dollars shown corresponding to each period is the maximum available award fee amount that can be earned during that particular period.

##### CPE AND MSE POOL:

Award Fee Period	Time Frame	Months	Available Award Fee Pool*	Award Fee Available	Award Fee Earned	Unearned Award Fee Removed from the Contract
1	01/07-07/07	7 months	5%			
2	08/07-01/08	6 months	5%			
3	02/08-07/08	6 months	10%			
4	08/08-01/09	6 months	20%			
5	02/09-07/09	6 months	25%			
6	08/09-01/10	6 months	15%			
7	02/10-07/10	6 months	10%			
8	08/10-02/11	7 months	10%			
Total		50 months	100%			

\* Percentages provide the Government's position of the relative criticality of activities associated with the respective fee periods.

## KPE POOL:

KPE Event #	Key Event/Description	*Award Fee Available	Award Fee Earned	Unearned Award Fee Removed from the Contract
1	Integrated Baseline Established (4Q/FY07)	12%		
2	Delivery of FTV 16 & 17 (2Q/FY09)	12%		
3	FU#1 Ground Components Delivery & Successfully Completed SIL Integration (2Q/FY09)	22%		
4	FU#2 Delivery of Ground Components to EICO and the successful completion of EICO (4Q/FY09)	8%		
5	Element Integration and Checkout FU # 1 Successfully Complete (3Q/FY09)	22%		
6	8 <sup>th</sup> FU Interceptor Successfully Delivered (1Q/FY10)	8%		
7	24 <sup>th</sup> FU Interceptor Successfully Delivered (2Q/FY10)	8%		
8	48 <sup>th</sup> FU Interceptor Successfully Delivered (2Q/FY11)	8%		
	Total	100%		

\* Percentages provide the Government's position of the relative importance of each event to the other events within the KPE Pool.

Rating Plan: The following are the adjective rating scale, the percentage range of available award fee which may be earned at each rating level, and the representative characteristics of each adjective rating to be used under this clause. Note that award fee may not be earned when the FDO has determined that contractor performance has been sub-marginal or unsatisfactory.

ADJECTIVE RATING	PERCENTAGE RANGE OF AWARD FEE EARNED	TYPICAL CHARACTERISTICS
EXCELLENT	90-100%	The contractor's performance significantly exceeds standard and although there may be a few examples of performance only meeting standard and/or needing improvements, all of which are minor, all were effectively mitigated prior to impacting the program. Contractor exceeds the goal value for THAAD Manufacturing/Quality Metrics. The contractor has provided the Government excellent insight into accomplishments and challenges. Contractor team (Lockheed and Subcontractors) demonstrates completely open and effective communication and outstanding working relationships.
BETTER THAN ACCEPTABLE	76-89%	The contractor's performance generally exceeds standard and more than offsets the cited examples of performance only meeting standard and/or needing improvement. The contractor exceeds the threshold value for

		THAAD Manufacturing/Quality Metrics. The contractor has provided the Government very good insight into accomplishments and challenges. Contractor team (Lockheed and Subcontractors) demonstrates effective communication and working relationships.
ACCEPTABLE	56-75%	The contractor's performance generally meets the standard and more than offsets the cited examples of performance not meeting the standard and/or needing improvement. Contractor meets the threshold value for THAAD Manufacturing/Quality Metrics. The contractor has provided the Government good insight into accomplishments and challenges. Contractor team (Lockheed and Subcontractors) demonstrates effective communication and working relationships.
BELOW ACCEPTABLE	0-55%	The contractor's performance is significantly less than standard and although there may be a few examples of performance exceeding and/or meeting standard, they are more than offset by cited examples of performance needing major improvements. Contractor does not meet threshold value for THAAD Manufacturing/Quality Metrics. A below acceptable rating level is considered to be sub-marginal or unsatisfactory.

#### CHANGES TO THE IMP

##### H-02. CHANGES TO THE INTEGRATED MASTER PLAN (IMP):

a. The IMP is a system-level, configuration-controlled item that is baselined at contract award, and includes Event Titles and Event Definitions. Any changes to the Events, Accomplishments, Criteria or Event Descriptions are subject to the "changes" clause of this contract, and must be approved by the Contracting Officer prior to implementation. All changes to the IMP shall be evaluated by the affected Integrated Product Teams (IPTs), Integrating IPT (IIPT) and Program Leadership Council (PLC) for possible cost and schedule impacts, process improvements, risk reduction and potential changes to technical requirements prior to submission to the Contracting Officer for approval.

b. IMP changes which are approved by the Contracting Officer take effect immediately and shall be incorporated into the contract within 30 days thereafter.

#### CONFIGURATION MANAGEMENT

##### H-03. CONFIGURATION MANAGEMENT:

The Government intends for LMSSC to maintain control of the Launcher, THAAD Fire Control/Communication, and Missile drawings and specifications at and below the PIDS level. It is expected that during the Obsolescence Redesign that all changes will be at or below the PIDS level, and therefore completely under LMSSC control. The Contractor shall notify the Government in writing under this contract of any changes to the Radar PIDS or external interface that are being sent to Raytheon under the Development Contract.

#### DISTRIBUTION CONTROL TECH INFO

##### H-04. DISTRIBUTION CONTROL OF TECHNICAL INFORMATION:

a. The following terms applicable to this clause are defined as follows:

(1) Technical Document. Any recorded information (including software) that conveys scientific and technical information or technical data.

(2) Scientific and Technical Information. Communicable knowledge or information resulting from or pertaining to the conduct or management of the THAAD development/risk reduction effort under this contract. (Includes programmatic information).

(3) Technical Data. Recorded information related to experimental, developmental, or engineering works that can be used to define an engineering or manufacturing process or to design, procure, produce, support, maintain, operate, repair, or overhaul material. The data may be graphic or pictorial delineations in media such as drawings or photographs, text in specifications or related performance or design type documents, or computer printouts. Examples of technical data include research and engineering data, engineering drawings, and associated lists, specifications, standards, process sheets, manuals, technical reports, catalog-item identifications, and related information and computer software documentation.

b. Except as otherwise set forth in the Contract Data Requirements List (CDRL), DD Form 1423, and paragraph d. below (i) the distribution of any technical documents prepared under this contract, in any stage of development or completion, is prohibited outside of the Lockheed Martin Corporation (defined as US firms only, as consistent with markings contained in b.(2) of this clause) without notification to and concurrence of its release by THAAD Program Manager or Deputy Program Manager and (ii) all technical documents prepared under this contract shall be marked with the following distribution statement, warning, and destruction notice:

(1) DISTRIBUTION STATEMENT F -- Further dissemination only as directed by the THAAD Project Office, MDA/TH, P.O. Box 1500, Huntsville, AL 35807-3801 or higher authority.

(2) WARNING - This document/software contains technical data/software whose export is restricted by the Arms Export Control Act (Title 22, U.S.C., Sec 2751 et seq.) or the Export Administration Act of 1979, as amended, (Title 50, U.S.C., App 2401 et seq). Violations of these export laws are subject to severe criminal penalties. Disseminate in accordance with provisions of DOD Directive 5230.25.

(3) DESTRUCTION NOTICE - For classified documents, follow the procedures in DOD 5220.22-M, National Industrial Security Program Operating Manual, Chapter 5, Section 7, or DOD 5200.1-R, Information Security Program Regulation, Chapter 6, Section 7. For unclassified, limited documents, destroy by any method that will prevent disclosure of contents or reconstruction of the document.

c. As a part of the review of preliminary or working draft technical documents, the Government will determine if a distribution statement less restrictive than the statement above would provide adequate protection. If so, the Government's concurrence/comments will provide specific instructions on the distribution statement to be marked on the final technical documents before primary distribution.

d. Nothing in this clause shall take precedence over any other clause or provision of this contract. Government concurrence, as defined in paragraph b. above, does not in any way affect the technical data rights associated with the data, as defined in paragraph a. above, that is released by LMSSC under this clause.

#### IMPACT GOV'T IPT PARTICIPATION

##### H-05. IMPACT OF GOVERNMENT IPT PARTICIPATION:

Under the Government/Contractor IPT concept, Government personnel will frequently interface with Contractor/subcontractor team members during contract performance. Government IPT members will offer advice, facilitate rapid Government feedback and approval of IPT products and Government support, provide clarification and review Contractor/subcontractor progress; however, the responsibility and accountability for successfully accomplishing the requirements of this contract remain solely with the Contractor. The Contractor shall not construe such advice, reviews and clarifications by the Government IPT members as Government-directed changes to the terms of this contract. The Contracting Officer is the only individual who is authorized to direct or approve any change to the terms of this contract.

**MINIMUM INSURANCE LIABILITY****H-06 INSURANCE (MAY 2005)**

In accordance with FAR Part 28.307-2, the Contractor shall maintain the types of insurance and coverage listed below:

TYPES OF INSURANCE	MINIMUM AMOUNT
Workmen's Compensation and all occupational disease	As required by State law
Employer's Liability including all occupational disease when not covered by Workmen's Compensation above	\$100,000 per accident
General Liability (Comprehensive) Bodily Injury	\$500,000 per occurrence
Automobile Liability (Comprehensive)	
Bodily Injury per person	\$200,000
Bodily Injury per accident	\$500,000
Property Damage per accident	\$ 20,000

**NONDISCLOSURE AGREEMENTS****H-07. NONDISCLOSURE AGREEMENTS:**

During performance of any contract resulting from this solicitation, it may be necessary for the Prime Contractor and subcontractor(s) to exchange data and/or interface with Government support contractors. The Prime Contractor and subcontractor(s) agree to negotiate in good faith any nondisclosure agreements required with such support contractors.

**OCONUS TRAVEL****H-08. OCONUS TRAVEL:**

No OCONUS travel is authorized without the written direction of the Contracting Officer and appropriate Status of Forces Agreements (SOFA) are obtained.

**PUBLIC RELEASE OF INFORMATION****H-09. PUBLIC RELEASE OF INFORMATION (MAY 2005):**

a. The policies and procedures outlined herein apply to information submitted by the Contractor and his subcontractors for approval for public release. Prior to public release, all information shall be cleared as shown in the "National Industrial Security Program Operations Manual" (DoD 5220.22-M). At a minimum, these materials may be technical papers, presentations, articles for publication and speeches or mass media material, such as press releases, photographs, fact sheets, advertising, posters, compact discs, videos, etc.

b. All materials which relate to the work performed by the contractor under this contract shall be submitted to MDA for review and approval prior to release to the public. Subcontractor public information materials shall be submitted for approval through the prime contractor to MDA.

c. The MDA review and approval process for contractors working under an MDA contract starts with the contracting officer's representative (COR) when they are located at the MDA National Capital Region (NCR—



address same as paragraph j. below), and the contracting officer (who signed contract on cover sheet for contract award, or designated replacement) for all other contracts.

(1) The contractor shall request a copy of MDA form "Clearance Request For Public Release of Information" (.pdf format) or any superseding form from the MDA COR or contracting officer (when COR is external to MDA NCR).

(2) The contractor shall complete Blocks 1, 2, 3 and 6 of the Clearance Request form (or comply with the instructions of any superseding form) and submit it with materials to be cleared to the COR (see paragraph j. below). If the information was previously cleared, provide the Public Release Case Number if available and a copy of the previous document highlighting the updated information.

(3) The COR may affirm "public releaseability" by signing the Statement of Certification in Block 7 of the Clearance Request.

(4) The COR will forward the Clearance Request with the materials to be cleared to the MDA designated point of contact for Block 8 approval and submission of package to MDA/DC.

(5) The MDA COR or contracting officer (when COR is external to MDA NCR) will notify the contractor of the agency's final decision regarding the status of the request.

d. The contractor shall submit the following to the COR at least 60 days in advance of the proposed release date:

(1) Seven (7) copies of each item.

(2) Written statement, including:

(a) To whom the material is to be released

(b) Desired date for public release

(c) Statement that the material has been reviewed and approved by officials of the contractor or the subcontractor, for public release, and

(d) The contract number.

e. The items submitted must be complete. Photographs shall have captions.

f. Outlines, rough drafts, marked-up copy (with handwritten notes), incorrect distribution statements, FOUO information, export controlled or ITAR information will not be accepted or cleared.

g. Abstracts or abbreviated materials may be submitted if the intent is to determine the feasibility of going further in preparing a complete paper for clearance. However, clearance of abstracts or abbreviated materials does not satisfy the requirement for clearance of the entire paper.

h. The MDA Director of Communications (MDA/DC) is responsible for coordinating the public release review. MDA/DC will work directly with the COR if there are questions or concerns regarding submissions. MDA/DC will not work with contractors who have not gone through their COR.

i. Once information has been cleared for public release, it is in the public domain and shall always be used in its originally cleared context and format. Information previously cleared for public release but containing new, modified or further developed information must be submitted again for public release following the steps outlined in items a. through h. above.

j. Due to time and screening constraints, it is recommended that all "public release" packages submitted to MDA be forwarded by a commercial overnight delivery service, addressed as follows:

Missile Defense Agency/(TH)

Attn: Deputy Program Manager  
 106 Wynn Drive  
 Huntsville, AL 35805

\* Insert name of COR or, if information is being forwarded by COR to MDA, insert the name of the Contracting Officer.

#### TECH COGNIZANCE & TECH DIRECT

##### H-10. TECHNICAL COGNIZANCE AND TECHNICAL DIRECTION:

a. The THAAD Project Office is the cognizant Government technical organization for this contract and will provide technical direction as defined herein. Technical direction shall be exercised by the following::

Name	Office Symbol	Phone Number
Scott Shifrin	MDA/TH	256-955-2268
Carlos Kingston (Alternate)	MDA/TH	256-955-2263

b. Technical direction, as defined in this clause is the process by which the progress of the contractor's technical efforts are reviewed and evaluated and guidance for the continuation of the effort is provided by the Government. It also includes technical discussions and, to the extent required and specified elsewhere in this contract, defining interfaces between contractors; approving test plans; approving preliminary and critical design reviews; participating in meetings; providing technical and management information; and responding to request for research and development planning data on all matters pertaining to this contract. The contractor agrees to accept technical direction only in the form and procedure set forth herein below.

c. Except for routine discussions having no impact on contractor performance, any and all technical direction described in paragraph b. above shall only be authorized and binding on the contractor when issued in writing and signed by a Government official designated in a. above. The Technical Direction shall not effect or result in a change within the meaning of the "CHANGES" clause, or any other change in the Scope of Work, price, schedule, or the level of effort required by the contract. Such changes must be executed by the Contracting Officer as a Modification-Change Order, or as a Modification-Supplemental Agreement, as appropriate. It is emphasized that such changes are outside the authority of the Government officials designated in a. above who are not authorized to issue any directions which authorize the contractor to exceed or perform less than the contract requirements. Notwithstanding any provision to the contrary in any Technical Directive, the estimated cost of this contract, and, if this contract is incrementally funded, the amount of funds allotted, shall not be increased or deemed to be increased by issuance thereof.

#### RENT-FREE NON-INTERFER USE GFP

##### H-11. RENT-FREE NON-INTERFERENCE USE OF GOVERNMENT PROPERTY:

The Contractor may use on a rent-free, non-interference basis, as necessary for the performance of this contract, the Government property accountable under Contract DASG60-00-C-0072. The Contractor is responsible for scheduling the use of all property covered by the referenced contract and providing timely written notification to the Government of any conflicts, delays, or disruptions to any work performed by the Contractor due to use of any or all of such property under this contract or any other contracts under which use of such property is authorized. The contractor will not be relieved of its contractual responsibilities if for any reason GFP is not available or is not functioning or suitable for the contractor's intended purpose.

#### PURE TIN

##### H-12. PURE TIN:

Reference SOW paragraph 3.10.3, Parts, Material and Process (PMP) Program which requires a PMP Plan documenting methods for assuring that parts and materials with pure tin finishes are not used in the THAAD hardware. THAAD hardware exempted from redesign due to the pure tin prohibition requirement are:

- a. Ground Components (TFCC and Launcher)
- b. Interceptor Cryostat System
- c. Telemetry Master Encoder (TME)
- d. Peculiar Support Equipment (PSE)

#### ACQUISITION OF FACILITIES

##### **H-13. ACQUISITION OF FACILITIES (MAY 2005):**

The Contractor agrees to provide all necessary facilities (as defined under FAR 45.301 and further defined under FAR 45.101, Definitions of Plant Equipment and Real Property) for the performance of this contract. The term facilities includes all general purpose office equipment and automated data/information processing equipment and software. Accordingly, the Contractor shall not purchase or lease facilities for the account of the Government without the express permission of the Contracting Officer. In no case shall the cost to the Government for leased facilities, acquired under this contract, exceed the constructive cost of ownership. Additionally, acquisition or lease of facilities, if approved by the Contracting Officer, shall be provided at cost, applicable burdens applied, exclusive of prime Contractor fee/profit or other profit centers or business units of the prime Contractor.

#### KEY PERSONNEL

##### **H-14. KEY PERSONNEL:**

The personnel identified as key personnel, in the contractor's proposal (a copy of which is filed in the Contracting Officer's official files), for both prime and major subcontractors (consisting of 3 labor levels; level 1 equals Program Manager/Deputy Program Manager/Chief Engineer/Chief Scientist or equivalents; level 2 equals Division Chiefs/Department Heads/Product Managers/Integrated Product Team Leaders or equivalents; and level 3 equals Branch Chiefs or equivalents) for both the technical and management areas are considered to be essential to the work being performed. Prior to diverting any key personnel to other contracts, the contractor shall provide the PCO not less than 15 days advance written notice and shall submit justification of the impact on the program. The key personnel list may be amended from time to time during the course of the contract to either add or delete personnel, as appropriate. This clause shall be flowed down to major subcontractors.

#### CONTRACT COMMONALITY

##### **H-15. CONTRACT COMMONALITY:**

The Government/MDA requires the Offeror to leverage past and future experience and effort expended on other MDA contracts that have common components and common processes with THAAD. This requirement is for all past, present and future work that was or is on contract. All effort under this contract shall minimize cost through elimination of duplicated effort with these various contracts.

#### CONTRACT PROPOSALS

##### **H-16. CONTRACT PROPOSALS:**

A. The contractor shall not accrue proposal costs for new contracts as a direct charge to this contract until such time as the contractor receives a written authorization from the Contracting Officer. Any such authorization will establish a proposal cost ceiling. The contractor is not authorized to exceed the proposal cost ceiling without further written

direction from the Contracting Officer. Upon submission of an invoice, the contractor will be reimbursed for all fair and reasonable proposal costs within the previously established proposal ceiling limit. The application of fee will be considered by the Government on a case by case basis.

B. For the purpose of this contract, and as is consistent with LMSSC's approved Disclosure Statement, contract proposal charges for new contracts that do not meet the approved criteria will not be directly charged to this contract. For any such contract requirement that does not meet the approved criteria, proposal costs shall be charged as Indirect Expense, Bid and Proposal costs.

#### DOWNWARD ADJ OF SUB-K COST

#### H-17. DOWNWARD ADJUSTMENT OF SUBCONTRACT COST

a) The cost, target cost, target fee, and maximum available award fee for this contract as established in the Program Baseline is subject to a downward adjustment only, in accordance with the conditions set forth herein, after LMSSC has completed negotiations on their subcontracts with Pratt & Whitney Rocketdyne (PWR) and M/A Com Aerospace. The subcontract prices as contained in the Program Baseline are as follows:

Pratt Whitney Rocketdyne	\$2,313,482**
M/A Com Aerospace	\$1,114,253
Total	\$3,427,735

b) The LMSSC cost estimate for the Raytheon effort will be subject to a downward adjustment, in accordance with the conditions set forth herein, after LMSSC has received any resulting proposal, and completed negotiations on any subsequent subcontract with Raytheon. The subcontract prices as contained in the Program Baseline are as follows:

LMSSC Engineering Estimate for Raytheon \$2,023,000

c) No later than 120 days after contract award, LMSSC will submit a proposal to the Contracting Officer in sufficient detail to enable the Government to evaluate the reasonableness of the price LMSSC negotiated with each subcontractor. This proposal will include:

- \* A copy of the negotiated subcontract change notice;
- \* The subcontractor's Certificate of Current Cost or Pricing Data  
(Subcontractor Certificates should be dated the date of LMSSC negotiations with the subcontractor);
- \* LMSSC's price analysis report of the subcontractor's proposal;
- \* LMSSC's negotiation memorandum; and
- \* A reconciliation of the proposed and negotiated subcontract cost to the associated subcontract values identified in paragraph "a" of this clause.

b. In the event the total negotiated amount for the listed subcontractors is less than the amounts stated in paragraph a. above, the parties hereto shall negotiate a corresponding downward adjustment in the estimated cost and maximum available award fee of the contract and the contract shall be modified in writing accordingly to reflect such downward adjustment and the deletion of this clause in its entirety. In the event that the parties are unable to agree upon such downward adjustment or LMSSC does not fully comply with paragraph c. above, the contracting officer shall issue a unilateral contract modification adjusting the subcontractor amounts listed in paragraph a. and/or b. above based on cost and pricing information currently available to the Government. Such a disagreement shall be deemed to be a dispute in accordance with the terms of the "Disputes" clause of this contract.

\*\*The negotiations with PWR are limited to the questioned costs in the amount of \$2,313,482 as they apply to PWR proposed rates.

**PATENTS - RPT SUBJ INVENTIONS****H-18 PATENTS - REPORTING OF SUBJECT INVENTIONS:**

- a. The interim and final invention reports shall be submitted on DD Form 882, Report of Inventions and Subcontracts, in accordance with Instructions for Preparation. In accordance with DFARS 252.227-7039 and FAR 52.227-12, interim reports shall be furnished every twelve (12) months and final reports shall be furnished within three (3) months after completion of the contracted work. In accordance with FAR 27.305-3(e), when a contractor fails to disclose a subject invention the applicable withholding of payments provision may be invoked.
- b. The contractor shall include the clause at DFARS 252.227-7039 in all subcontracts with small businesses and non profit organizations, regardless of tier, for experimental, developmental, or research work.
- c. The prime contractor shall account for the interim and final invention reports submitted by the subcontractor.
- d. Specific instructions will be provided upon request to the address in block 6 of the contract in the event a Patent application is required.

**DELIVERED ITEM REPAIR/REWORK****H-19. DELIVERED ITEM REPAIR/REWORK**

- a. The Contractor warrants and implies that the ground component items of Fire Unit 1 and Fire Unit 2 that are produced and/or delivered under the FUF contract that will undergo Element Integration and Check Out (EICO) 1 or EICO 1A are free from either patent or latent manufacturing, material and workmanship defects and that the items are suitable for their intended purpose (as described in paragraph b. below) regardless of whether the item has been delivered and received by the Government.
- b. Upon the discovery of the existence of such a defect, as described in paragraph a., by either the Government or the Contractor, prior to the subject item's successful completion of the contractor performed and Government witnessed EICO demonstrations and pre-SIL (Systems Integration Lab) interface testing (which will be used to ensure all system interfaces and functions operate according to the requirements and functionality of the hardware and software developed for the first two fire units) the contractor shall perform, after receiving contracting officer approval (approval or disapproval to repair an item covered under this clause will be furnished to the contractor on or about 10 business days after the Government receives a written notice from the contractor that a defect as discussed in paragraph a. above exists, including a proposal defining costs associated with the repair unless otherwise directed by the government) all the repairs required to make the item serviceable and suitable for its intended purpose with an equitable adjustment of cost with no associated fee.
- c. The existence of a defect as described in paragraph a. and b. above will in no way constitute or provide the grounds for a claim against the Government for a delay to the Contractor's performance.

**ALTERNATE DISPUTE RESOLUTION****H-20. ALTERNATE DISPUTE RESOLUTION (ADR)**

The Government and the Contractor will work together to ensure the success of the THAAD Program. The parties realize, however, that disagreements and disputes may arise between them. They agree to use their best efforts to resolve all disagreements and disputes quickly, efficiently and fairly. The Government prefers to resolve all issues arising under or related to the contract by negotiation, first at the Contracting Officer level, and if unresolved, at the Program Director level. If negotiations reach an impasse, the Government and the Contractor agree to consider using one or more of the ADR processes identified in 5 U.S.C. 571. In the event either party rejects the use of ADR procedures, he will inform the other in writing of the specific reasons.

The parties agree that they will establish a written ADR process, tailored to the circumstances, before beginning ADR. Typically, the agreement will address: issues requiring resolution, authorized representatives, appointment of neutrals, audit requirements, confidentiality and duration of the ADR process, suspension of litigation and a schedule.

In the event that the ADR process does not produce results satisfactory for either party or if either party believes that the issue in controversy is not suitable for ADR techniques, the dispute resolution process set forth in the Contract Disputes Act of 1978, as set forth in FAR Clause 52.233-1, shall be followed.

#### DISALLOW PROP SUBK ROYAL COST

#### **H-21. DISALLOWED PROPOSED SUBCONTRACTOR ROYALTY COST:**

The proposed Royalty cost associated with the asset purchase agreement and the license and assignment agreement between Aerojet-General Corporation and Pratt and Whitney, Space Propulsion Division of the United Technologies Corporation, dated May 3, 2004 and June 3, 2004, respectively, is deemed disallowed due to lack of sufficient information included in the proposal to allow such a cost. If, however, the Government determines that the cost is allowable based on updated information furnished by the contractor within 120 days after contract award, in accordance with FAR 31.205-37 and 52.227-6, the contracting officer will modify the contract to reflect such a determination.

Reopener: The LMSSC subcontract with Aerojet will be subject to an upward adjustment of the contract in an amount not to exceed \$2,290,562, in accordance with the conditions set forth herein, after LMSSC/Aerojet comply with FAR requirements, completion of negotiations, and award of a subcontract with Aerojet; and a determination of allowability of royalty costs.

#### INCENTIVE FEE

#### **H-22. 52.216-10 INCENTIVE FEE (MAR 1997) (With Deadband)**

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

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

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

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

(3) "Dead Band", as used in this contract, means the amount initially negotiated with respect to a variation in the estimated cost of this contract, adjusted in accordance with paragraph (d) of this clause.

(c) Withholding of payment. Normally, the Government shall pay the fee to the Contractor as specified in the Schedule. However, when the Contracting Officer considers that performance or cost indicates that the Contractor will not achieve target, the Government shall pay on the basis of an appropriate lesser fee. When the Contractor demonstrates that performance or cost clearly indicates that the Contractor will earn a fee significantly above the target fee, the Government may, at the sole discretion of the Contracting Officer, pay on the basis of an appropriate higher fee. After payment of 85 percent of the applicable fee, the Contracting Officer may withhold further payment of fee until a reserve is set aside in an amount that the Contracting Officer considers necessary to protect the

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

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

(e) Fee payable.

(1) The fee payable under this contract shall be the target fee increased by 100 cents for every dollar that the total allowable cost is less than the target cost or decreased by 30 cents for every dollar that the total allowable cost exceeds the target cost plus the dead band. In no event shall the fee be greater than 18.16% percent or less than 0 percent of the target cost.

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

(i) Payments made under assignments; or

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

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

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

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

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

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

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

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

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

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

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

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

*END OF CLAUSE.*



## Section I - Contract Clauses

## CLAUSES INCORPORATED BY REFERENCE

52.202-1	Definitions	JUL 2004
52.203-3	Gratuities	APR 1984
52.203-5	Covenant Against Contingent Fees	APR 1984
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
52.203-11	Certification And Disclosure Regarding Payments To Influence Certain Federal Transactions	SEP 2005
52.203-12	Limitation On Payments To Influence Certain Federal Transactions	SEP 2005
52.204-2	Security Requirements	AUG 1996
52.204-4	Printed or Copied Double-Sided on Recycled Paper	AUG 2000
52.204-5	Women-Owned Business (Other Than Small Business)	MAY 1999
52.204-7	Central Contractor Registration	JUL 2006
52.204-8	Annual Representations and Certifications	JAN 2006
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
52.211-15	Defense Priority And Allocation Requirements	SEP 1990
52.215-2	Audit and Records--Negotiation	JUN 1999
52.215-8	Order of Precedence--Uniform Contract Format	OCT 1997
52.215-10	Price Reduction for Defective Cost or Pricing Data	OCT 1997
52.215-11	Price Reduction for Defective Cost or Pricing Data--Modifications	OCT 1997
52.215-12	Subcontractor Cost or Pricing Data	OCT 1997
52.215-13	Subcontractor Cost or Pricing Data--Modifications	OCT 1997
52.215-18	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other than Pensions	JUL 2005
52.215-19	Notification of Ownership Changes	OCT 1997
52.215-20	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data	OCT 1997
52.215-21	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data--Modifications	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
52.216-7	Allowable Cost And Payment	DEC 2002
52.219-8	Utilization of Small Business Concerns	MAY 2004
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
52.222-20	Walsh-Healey Public Contracts Act	DEC 1996
52.222-21	Prohibition Of Segregated Facilities	FEB 1999
52.222-26	Equal Opportunity	APR 2002
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
52.223-3	Hazardous Material Identification And Material Safety Data	JAN 1997
52.223-5	Pollution Prevention and Right-to-Know Information	AUG 2003
52.223-6	Drug-Free Workplace	MAY 2001
52.223-7	Notice Of Radioactive Materials	JAN 1997
52.223-11	Ozone-Depleting Substances	MAY 2001
52.223-14	Toxic Chemical Release Reporting	AUG 2003
52.225-13	Restrictions on Certain Foreign Purchases	FEB 2006
52.227-1	Authorization and Consent	JUL 1995
52.227-2	Notice And Assistance Regarding Patent And Copyright Infringement	AUG 1996
52.227-6	Royalty Information	APR 1984
52.227-10	Filing Of Patent Applications--Classified Subject Matter	APR 1984
52.227-12	Patent Rights--Retention By The Contractor (Long Form)	JAN 1997
52.227-21	Technical Data Certification, Revision, and Withholding of Payment--Major Systems	JAN 1997
52.227-22	Major System--Minimum Rights	JUN 1987
52.228-3	Worker's Compensation Insurance (Defense Base Act)	APR 1984
52.228-4	Workers' Compensation and War-Hazard Insurance Overseas	APR 1984
52.228-7	Insurance--Liability To Third Persons	MAR 1996
52.229-10	State of New Mexico Gross Receipts and Compensating Tax	APR 2003
52.230-2	Cost Accounting Standards	APR 1998
52.230-6	Administration of Cost Accounting Standards	APR 2005
52.232-17	Interest	JUN 1996
52.232-22	Limitation Of Funds	APR 1984
52.232-25	Prompt Payment	OCT 2003
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
52.234-1	Industrial Resources Developed Under Defense Production Act Title III	DEC 1994
52.239-1	Privacy or Security Safeguards	AUG 1996
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
52.242-15	Stop-Work Order	AUG 1989
52.243-2 Alt II	Changes--Cost Reimbursement (Aug 1987) - Alternate II	APR 1984
52.243-6	Change Order Accounting	APR 1984
52.243-7	Notification Of Changes	APR 1984
52.244-5	Competition In Subcontracting	DEC 1996
52.244-6	Subcontracts for Commercial Items	SEP 2006
52.245-5	Government Property (Cost-Reimbursement Time-And-Materials, Or Labor Hour Contracts)	MAY 2004
52.245-9	Use And Charges	AUG 2005
52.245-18	Special Test Equipment	FEB 1993
52.245-19	Government Property Furnished "As Is"	APR 1984
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
52.247-1	Commercial Bill Of Lading Notations	FEB 2006
52.247-67	Submission Of Transportation Documents For Audit	FEB 2006
52.248-1	Value Engineering	FEB 2000
52.249-6	Termination (Cost Reimbursement)	MAY 2004
52.249-14	Excusable Delays	APR 1984
52.251-1	Government Supply Sources	APR 1984
52.252-2	Clauses Incorporated By Reference	FEB 1998
52.253-1	Computer Generated Forms	JAN 1991
252.201-7000	Contracting Officer's Representative	DEC 1991
252.203-7001	Prohibition On Persons Convicted of Fraud or Other Defense-Contract-Related Felonies	DEC 2004
252.203-7002	Display Of DOD Hotline Poster	DEC 1991
252.204-7000	Disclosure Of Information	DEC 1991
252.204-7002	Payment For Subline Items Not Separately Priced	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	NOV 2003
252.205-7000	Provision Of Information To Cooperative Agreement Holders	DEC 1991
252.208-7000	Intent To Furnish Precious Metals As Government--Furnished Material	DEC 1991
252.209-7001	Disclosure of Ownership or Control by the Government of a Terrorist Country	SEP 2004
252.209-7004	Subcontracting With Firms That Are Owned or Controlled By The Government of a Terrorist Country	MAR 1998
252.211-7000	Acquisition Streamlining	DEC 1991
252.215-7000	Pricing Adjustments	DEC 1991
252.215-7002	Cost Estimating System Requirements	OCT 1998
252.219-7004	Small, Small Disadvantaged Women-Owned Business Subcontracting Plan (Test Program)	JUN 1997
252.223-7001	Hazard Warning Labels	DEC 1991
252.223-7002	Safety Precautions For Ammunition And Explosives	MAY 1994
252.223-7003	Changes In Place Of Performance--Ammunition And Explosives	DEC 1991
252.223-7004	Drug Free Work Force	SEP 1988
252.223-7006 Alt I	Prohibition on Storage and Disposal of Toxic and Hazardous Materials (Apr 1993) - Alternate I	NOV 1995
252.223-7007	Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives	SEP 1999
252.225-7012	Preference For Certain Domestic Commodities	JUN 2004
252.225-7014 Alt I	Preference For Domestic Specialty Metals (Jun 2005) - Alternate I	APR 2003
252.225-7016	Restriction On Acquisition Of Ball and Roller Bearings	MAR 2006
252.225-7022	Restriction On Acquisition Of Polyacrylonitrile (PAN) Carbon Fiber	JUN 2005
252.225-7031	Secondary Arab Boycott Of Israel	JUN 2005
252.225-7043	Antiterrorism/Force Protection Policy for Defense Contractors Outside the United States	MAR 2006
252.227-7013	Rights in Technical Data--Noncommercial Items	NOV 1995
252.227-7016	Rights in Bid or Proposal Information	JUN 1995
252.227-7017	Identification and Assertion of Use, Release, or Disclosure Restrictions	JUN 1995
252.227-7019	Validation of Asserted Restrictions--Computer Software	JUN 1995

252.227-7025	Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends	JUN 1995
252.227-7026	Deferred Delivery Of Technical Data Or Computer Software	APR 1988
252.227-7027	Deferred Ordering Of Technical Data Or Computer Software	APR 1988
252.227-7028	Technical Data or Computer Software Previously Delivered to the Government	JUN 1995
252.227-7030	Technical Data--Withholding Of Payment	MAR 2000
252.227-7037	Validation of Restrictive Markings on Technical Data	SEP 1999
252.228-7000	Reimbursement for War-Hazard Losses	DEC 1991
252.228-7003	Capture and Detention	DEC 1991
252.228-7005	Accident Reporting And Investigation Involving Aircraft, Missiles, And Space Launch Vehicles	DEC 1991
252.231-7000	Supplemental Cost Principles	DEC 1991
252.232-7003	Electronic Submission of Payment Requests	MAY 2006
252.235-7003	Frequency Authorization	DEC 1991
252.239-7000	Protection Against Compromising Emanations	JUN 2004
252.242-7001	Notice of Earned Value Management System	MAR 2005
252.242-7002	Earned Value Management System	MAR 2005
252.242-7004	Material Management And Accounting System	NOV 2005
252.243-7002	Requests for Equitable Adjustment	MAR 1998
252.245-7001	Reports Of Government Property	MAY 1994
252.247-7023	Transportation of Supplies by Sea	MAY 2002
252.251-7000	Ordering From Government Supply Sources	NOV 2004

#### CLAUSES INCORPORATED BY FULL TEXT

#### 52.215-8 ORDER OF PRECEDENCE--UNIFORM CONTRACT FORMAT (OCT 1997)

Any inconsistency in this solicitation or contract shall be resolved by giving precedence in the following order:

- (a) The Schedule (excluding the specifications).
- (b) Representations and other instructions.
- (c) Contract clauses.
- (d) Other documents, exhibits, and attachments.
- (e) The specifications.

(End of clause)

#### 252.211-7003 ITEM IDENTIFICATION AND VALUATION (JUN 2005)

- (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/UID/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, Uniform Code Council (UCC)/EAN International (EAN) 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.

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/UID/uid-types.html>.

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

(c) DoD unique item identification or DoD recognized unique identification equivalents.

(1) The Contractor shall provide DoD unique item identification, or a DoD recognized unique identification equivalent, for--

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

(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 concatenated unique item identifier and the component data elements of the DoD unique item identification or DoD recognized unique identification equivalent shall not change over the life of the item.

(3) Data syntax and semantics of DoD unique item identification and DoD recognized unique identification equivalents. 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) Data Identifiers (DIs) (Format 06) in accordance with ISO/IEC International Standard 15418, Information Technology ``EAN/UCC Application Identifiers and ANSI MH 10 Data Identifiers and ANSI MH 10 Data Identifiers and Maintenance.

(B) Application Identifiers (AIs) (Format 05), in accordance with ISO/IEC International Standard 15418, Information Technology ``EAN/UCC Application Identifiers and ANSI MH 10 Data Identifiers and ANSI MH 10 Data Identifiers and Maintenance.

(C) Text Element Identifiers (TEIs), in accordance with the DoD collaborative solution ``DD" format for use until the solution is approved by ISO/IEC JTC1 SC 31. The ``DD" format is described in Appendix D of the DoD Guide to Uniquely Identifying Items, available at <http://www.acq.osd.mil/dpap/UID/guides.htm>; and

(ii) The encoded data elements of the unique item identifier conform to ISO/IEC International Standard 15434, Information Technology--Syntax for High Capacity Automatic Data Capture Media.

(4) DoD unique item identification and DoD recognized unique identification equivalents.

(i) The Contractor shall--

(A) Determine whether to serialize within the enterprise identifier or serialize within the part, lot, or batch number; and

(B) Place the data elements of the unique item identifier (enterprise identifier; serial number; 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) Concatenated unique item identifier; or DoD recognized unique identification equivalent.

(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.

(6) Lot or batch number.

(7) Current part number (if not the same as the original part number).

(8) Current part number effective date.

(9) Serial number.

(10) Government's unit acquisition cost.

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

(1) Concatenated unique item identifier or DoD recognized unique identification equivalent of the parent item delivered under a contract line, subline, or exhibit line item that contains the embedded subassembly, component, or part.

(2) Concatenated unique item identifier or DoD recognized unique identification equivalent 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.\*\*

(7) Lot or batch number.\*\*

(8) Current part number (if not the same as the original part number).\*\*

(9) Current part number effective date.\*\*

(10) Serial number.\*\*

(11) Unit of measure.

(12) 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/UID/DataSubmission.htm>.

(g) Subcontracts. If paragraph (c)(1) of this clause applies, the Contractor shall include this clause, including this paragraph (g), in all subcontracts issued under this contract.

(End of clause)



(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/UID/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, Uniform Code Council (UCC)/EAN International (EAN) 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.

**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/UID/uid-types.html>.

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

(c) DoD unique item identification or DoD recognized unique identification equivalents.

(1) The Contractor shall provide DoD unique item identification, or a DoD recognized unique identification equivalent, for--

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

(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 concatenated unique item identifier and the component data elements of the DoD unique item identification or DoD recognized unique identification equivalent shall not change over the life of the item.

(3) Data syntax and semantics of DoD unique item identification and DoD recognized unique identification equivalents. 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) Data Identifiers (DIs) (Format 06) in accordance with ISO/IEC International Standard 15418, Information Technology ``EAN/UCC Application Identifiers and ANSI MH 10 Data Identifiers and ANSI MH 10 Data Identifiers and Maintenance.

(B) Application Identifiers (AIs) (Format 05), in accordance with ISO/IEC International Standard 15418, Information Technology ``EAN/UCC Application Identifiers and ANSI MH 10 Data Identifiers and ANSI MH 10 Data Identifiers and Maintenance.

(C) Text Element Identifiers (TEIs), in accordance with the DoD collaborative solution ``DD" format for use until the solution is approved by ISO/IEC JTC1 SC 31. The ``DD" format is described in Appendix D of the DoD Guide to Uniquely Identifying Items, available at <http://www.acq.osd.mil/dpap/UID/guides.htm>; and

(ii) The encoded data elements of the unique item identifier conform to ISO/IEC International Standard 15434, Information Technology--Syntax for High Capacity Automatic Data Capture Media.

(4) DoD unique item identification and DoD recognized unique identification equivalents.

(i) The Contractor shall--

(A) Determine whether to serialize within the enterprise identifier or serialize within the part, lot, or batch number; and

(B) Place the data elements of the unique item identifier (enterprise identifier; serial number; 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) Concatenated unique item identifier; or DoD recognized unique identification equivalent.

(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.
- (6) Lot or batch number.
- (7) Current part number (if not the same as the original part number).
- (8) Current part number effective date.
- (9) Serial number.
- (10) Government's unit acquisition cost.

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

- (1) Concatenated unique item identifier or DoD recognized unique identification equivalent of the parent item delivered under a contract line, subline, or exhibit line item that contains the embedded subassembly, component, or part.
- (2) Concatenated unique item identifier or DoD recognized unique identification equivalent 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.\*\*
- (7) Lot or batch number.\*\*
- (8) Current part number (if not the same as the original part number).\*\*
- (9) Current part number effective date.\*\*
- (10) Serial number.\*\*
- (11) Unit of measure.
- (12) 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/UID/DataSubmission.htm>.

(g) Subcontracts. If paragraph (c)(1) of this clause applies, the Contractor shall include this clause, including this paragraph (g), in all subcontracts issued under this contract.

(End of clause)

SECTION I CLAUSE FILL-INS

FILL-IN FOR FAR 52.222-2: Insert 0 in the blank.

FILL-IN FOR FAR 52.243-7: Insert 30 days in both blanks.

FILL-IN FOR DFARS 252.227-7030: Withholding payment amount is 3% of the total contract price.

FILL-IN FOR DFARS 252.242-7001 : Applicable to all subcontract awards over \$50M with a certified Earned Value Management System.

FILL-IN FOR DFARS 252.211-7003: Subparagraph (c)(1)(ii) and (iii)

## Section J - List of Documents, Exhibits and Other Attachments

LIST OF DOC, EXH & OTHER ATCHPART III - LIST OF DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTSSECTION J - LIST OF ATTACHMENTS**LIST OF ATTACHMENTS AND EXHIBITS:**

<u>ATTACHMENT/ EXHIBIT ID</u>	<u>TITLE</u>	<u>DATE</u>
A.	Contract Data Requirements List (CDRL) (DD Form 1423) Data Items Associated with CLINs 0001 through 0006. (NOTE: Item Descriptions listed in DoD 5010.12L have not been provided with this solicitation.)	03FEB 06
1	Statement of Work, Terminal High Altitude Area Defense (THAAD), Fire Unit Fielding THAAD Element Interceptor, Launcher, Fire Control and Communications, and Peculiar Support Equipment Attachment 1 Document Summary List	04 DEC 06  26 JAN 06
2	Contract Security Classification Specification (DD Form 254) FOUO and furnished under separate cover.	20 SEP 06
3	THAAD Project Security Classification Guide FOUO and furnished under separate cover. Change 1 Change 2 Change 3 Change 3 memo with replacement page 53	29 NOV 02 12 MAY 03 20 AUG 03 01 APR 04 30 JUL 04
4	Department of Defense, Missile Defense Agency Ballistic Missile Defense System (BMDS) Security Classification Guide, incorporated herein by reference. Upon request, Contracting Officer will provide.	26 APR 04
5	THAAD FUF Program IUID Items (P555401)	28 NOV 06
6	Integrated Master Plan (IMP) and Definitions	29 NOV 06
7	Mission Assurance Implementation Plan (MAIP)	26 MAY 06
8	Configuration Management Plan	18 AUG 05
9	Integrated System Safety Program Plan (P516358A)	06 NOV 03
10	EICO Plan (P804635)	17 NOV 06

11	Acceptance Test Plan	
	a) THAAD Fire Control Component Acceptance Test Plan (1A66553)	17 NOV 06
	b) THAAD Launcher Component Acceptance Test Plan (P529466A)	17 FEB 04
	c) THAAD Interceptor Component Acceptance Test Plan (P555247)	17 NOV 06
	d) THAAD Peculiar Support Equipment Component Acceptance Test Plan (P804464)	17 NOV 06
12	Spares List (P804631)	28 NOV 06
13	THAAD Interceptor CRDM Listing (P555403)	28 NOV 06
14	Component Configuration Lists	
	a) THAAD Fire Control Component Configuration List (P804624)	28 NOV 06
	b) THAAD Launcher Component Configuration List (P804625)	28 NOV 06
	c) THAAD Interceptor Component Configuration List (P555402)	28 NOV 06
	d) THAAD Peculiar Support Equipment Component Configuration List (P804626)	28 NOV 06
15	Government Furnished Lists	
	a) Equipment	06 DEC 06
	b) Services	17 NOV 06
	c) Information	04 DEC 06
	d) Facilities	17 NOV 06
	e) Material	17 NOV 06
16	Identification and Assertion of Use, Release, or Disclosure Restrictions, (Data Rights) incorporated by reference.	NOV 06
17	LMSSC Comprehensive Small Business Subcontracting Plan incorporated by reference.	01 OCT 06
18	The Section K Representations, Certifications and other statements of offers submitted by the Contractor in response to RFP W9113M-06-R-0010 are hereby incorporated into this contract by reference.	NOV 06

# **TERMINAL HIGH ALTITUDE AREA DEFENSE (THAAD)**

## **STATEMENT OF WORK (SOW)**

### **FIRE UNIT FIELDING**

#### **THAAD ELEMENT INTERCEPTOR, LAUNCHER, FIRE CONTROL AND COMMUNICATIONS, AND PECULIAR SUPPORT EQUIPMENT**

**SW 09-05-01**

**04 December 2006**

**Prepared By  
Missile Defense Agency (MDA)  
THAAD PROJECT OFFICE (TPO)  
HUNTSVILLE, ALABAMA**

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## Attachment 1 Document Summary List

## **FIRE UNIT FIELDING LIST OF ACRONYMS**

ABL	Allocated Baseline
ACA	Associate Contractor Agreement
ANSI	American National Standards Institute
AR	Army Regulation
ATP	Acceptance Test Plan
AUPC	Average Unit Procurement Cost
BMDS	Ballistic Missile Defense System
BSC	Battery Support Center
CARD	Cost Analysis Requirements Description
CATP	Component Acceptance Test Plan
CCA	Configuration Control Authority
CCA	Circuit Card Assembly
CCB	Configuration Control Board
CCDR	Contractor Cost Data Report
CCM	Common Cost Model
CDM	Configuration Data Management
CDRL	Contract Data Requirements List
CFSR	Contract Funds Status Report
CHS	Common Hardware/Software
CI	Configuration Item
CITIS	Contractor Integrated Technical Information System
CJCSI	Chairman of the Joint Chiefs of Staff Instruction
CM	Configuration Management
CNSS	Committee on National Security Systems
COCO	Contractor Owned, Contractor Operated
CONUS	Continental United States
COTS	Commercial off-the Shelf
CPR	Cost Performance Report
CRDM	Certified Round Data Management
CSA	Configuration Status Accounting
CWBS	Contract Work Breakdown Structure
DAL	Data Accession List
DFARS	Defense Federal Acquisition Regulation Supplement
DI	Data Item
DID	Data Item Description
DISR	DoD IT Standards Registry
DMS	Diminishing Manufacturing Source
DoD	Department of Defense
DoDI	Department of Defense Instruction
DSL	Document Summary List
DT/OT	Development Test/Operational Test

ECP	Engineering Change Proposal
EDAMS	Electronic Data and Management System
EIA	Electronic Industries Alliance
EICO	Element Integration and Check-Out
ESS	Environmental Stress Screening
EV	Earned Value
FAR	Federal Acquisition Regulation
FBL	Functional Baseline
FCA	Functional Configuration Audit
FRACAS	Failure Reporting Analysis and Corrective Action System
FRB	Failure Review Board
FTX	Field Training Exercise
GFE	Government Furnished Equipment
GOCO	Government Owned, Contractor Operated
HALT	Highly Accelerated Life Test
HASS	Highly Accelerated Stress Screening
HMMP	Hazardous Materials Management Program
HW	Hardware
HWIL	Hardware-in-the-Loop
IA	Information Assurance
IAW	In Accordance With
IBR	Integrated Baseline Review
ICD	Interface Control Document
ICSS	Interim Contractor Support System
ICWG	Interface Control Working Group
IFS	Interface Specifications
ILS	Integrated Logistic Support
IM	Initial Manufacturing
IMP	Integrated Master Plan
IMS	Integrated Master Schedule
IPPD	Integrated Product /Process Development
IPF	Initial Production Facilitization
IPT	Integrated Product Team
IT	Information Technology
IUID	Item Unique Identification
JICWG	Joint Interface Control Working Group
LCCM	Life Cycle Cost Management
LOGMAIT	Logistics Multiple Asset Integrated Tracking
LRU	Line Replaceable Unit
MDA	Missile Defense Agency
MAIP	Mission Assurance Implementation Plan
MIL	Military
MIL-HDBK	Military Handbook
MIL-STD	Military Standard
MPV	Manufacturing Process Verification

MPVR	Manufacturing Process Verification Review
MQT	Manufacturing Qualification Test
MRRA	Manufacturing Readiness Risk Assessments
MRT	Missile Round Trainer
MRTFB	Major Range Test Facility Base
MSDL	Master Software Development Library
MSRI	Microcircuit and Semiconductor Receiving Inspection
MSTS	Missile Stockpile Test Test
MTP	Master Test Plan
NACSEM	National Communications Security Engineering Memorandum
NACSIM	National Communications Security Information Memorandum
NISPOM	National Industrial Security Program Operating Manual
NSTISSAM	National Security Telecommunications and Information Systems Security Advisory Memorandum
NSTISSI	National Security Telecommunications and Information Systems Security Information
OPSEC	Operations Security
OWG	Obsolescence Working Group
PA	Product Assurance
PBL	Product Baseline
PIDS	Prime Item Development Specification
PLL	Prescribed Load List
PMP	Parts, Materials and Processes
POPO	Privately Owned, Privately Operated
PPU	Prime Power Unit
PQT	Production Qualification Test
PSE	Peculiar Support Equipment
PSSC	Preliminary System Security Concept
QA	Quality Assurance
RAM-T	Reliability, Availability, Maintainability and Testability
RFD	Request for Deviation
ROM	Rough Order of Magnitude
RTM	Radar Tracking Missions
SCG	Security Classification Guide
SCR	Software Change Report
SI	Software Item
SIE	Special Inspection Equipment
SIL	System Integration Laboratory
SOLD	Simulation Over Live Driver
SOW	Statement of Work
SSHA	System Safety Hazard Analysis
STE	Special Test Equipment
SW	Software
T-ALSS	Tactical Active Leak Sensor System
TDP	Technical Data Package

TEC	Technical Evaluation Center
TFCC	THAAD Fire Control and Communications
THAAD	Terminal High Altitude Area Defense
TFCC	THAAD Fire Control and Communications
TIC	THAAD Interceptor Component
TIM	Technical Interchange Meeting
TLC	THAAD Launcher Component
TPM	Technical Performance Management
TPO	THAAD Project Office
TPRB	THAAD Parts Review Board
TPS	THAAD Performance Specifications
TR	Technical Review
TSS	THAAD System Specification
UID	Unique Identification
UDS	Universal Documentation System
VE	Value Engineering
VECP	Value Engineering Change Proposal
WBS	Work Breakdown Structure

**TERMINAL HIGH ALTITUDE AREA DEFENSE  
STATEMENT OF WORK (SOW)  
FIRE UNIT FIELDING**

**1.0 SCOPE**

This Statement of Work (SOW) describes the requirements for manufacturing, delivery and integration of the Terminal High Altitude Area Defense (THAAD) components for fire unit fielding and initial spares. The THAAD Fire Unit Fielding (FUF) components are comprised of the interceptor, launcher, THAAD Fire Control and Communications (TFCC), and Peculiar Support Equipment (PSE).

**2.0 APPLICABLE DOCUMENTS**

The THAAD element interceptor, launcher, TFCC, and PSE, baseline documentation is identified in the Document Summary List (Attachment 1). The Government controlled baseline documents are identified in SOW paragraph 3.9 1.1.1.

**3.0 REQUIREMENTS**

**3.1 Program Management**

The contractor shall provide program management services in support of fire unit fielding activities required by this SOW. This effort shall ensure activities are controlled, scheduled, monitored, reported and managed in a manner consistent with and supportive of the activities set forth in this SOW. The contractor shall ensure that there is a maximum synchronization of program management activities, to include key personnel, with government MDA contracts.

**3.1.1 Integrated Product/Process Development (IPPD)**

The contractor shall use an IPPD approach to integrate all program areas and shall present metrics within the IPT process demonstrating program status. The contractor and major subcontractors shall utilize video-teleconferencing and other communications technologies to minimize travel costs and enhance efficiency at all IPT levels.

**3.1.2 Integrated Product Teams (IPTs)**

IPTs shall be used in the requirements, test, manufacturing, and management processes. The IPTs shall include Government and prime contractor participation, with subcontractors and support contractors as required.

**3.1.3 Integrated Master Plan (IMP)**

The contractor shall update and adhere to an IMP consisting of a hierarchical relationship of events, accomplishments and criteria. The IMP shall be consistent with this THAAD fire unit fielding Contract Work Breakdown Structure (CWBS) and Contract Data Requirement List (CDRLs) of this contract.

#### **3.1.4 Integrated Master Schedule (IMS)**

The contractor shall develop and maintain an IMS that traces directly to the IMP and includes dates for program events, accomplishments, criteria and discrete tasks for each criterion. The IMS shall have horizontal and vertical traceability, both (1) within IPTs and (2) between other related IPTs. The IMS shall provide a basis for performing program critical path assessments. The IMS shall be prepared in accordance with (IAW) DI-MGMT-81650 (CDRL A027). The contractor shall maintain IMS metrics that provide the health and status of the IMS.

#### **3.1.5 Performance Management System**

The contractor shall utilize their existing, internal performance management system to plan, schedule, budget, monitor, manage, and report cost, schedule, and technical status applicable to the contract. The contractor's internal performance management system shall serve as the single, formal, integrated system that meets both the contractor's internal management requirements and the requirements of the Government for timely, reliable, and auditable performance information. The contractor's system shall satisfy the industry standards delineated in the American National Standards Institute (ANSI)/Electronic Industries Alliance (EIA)-748-1998, the earned value (EV) management general provisions of the contract, and this SOW. The contractor's system shall meet the guidelines and be maintained IAW the requirements of the EV Management Systems Standard as described in this SOW and the contractor's own documented system description.

#### **3.1.6 Integrated Cost, Schedule and Technical Performance Management (TPM)**

The contractor shall implement and use an EV based TPM system for integrated cost, schedule, and technical performance management. The contractor's EV baseline shall capture recurring versus non-recurring costs. The contractor shall flow down EV management reporting requirements to subcontractors that, based on risk, schedule criticality, and/or dollar value, have the potential to impede the successful completion of the program. The contractor shall maintain baseline integrity and risk identification. The contractor and subcontractor cost, schedule, and technical status issues and three month forecast shall be discussed at all levels based on EV data within fifteen (15) days after the contractor's accounting month ends. The contractor shall prepare and maintain a CWBS and CWBS dictionary to include hardware items IAW DI-MGMT-81334 (CDRL A020). The contractor shall prepare a Cost Performance Report (CPR) IAW DI-MGMT-81466 (CDRL A023). A Contract Funds Status Report (CFSR) shall be prepared IAW DI-MGMT-81468 (CDRL A024).

#### **3.1.7 Integrated Baseline Reviews (IBRs)**

The contractor shall prepare for and support an IBR to be conducted within six (6) months after contract award. The IBR will be conducted by the Government for the purpose of assessing the adequacy of the performance measurement baseline planning. The focus will be on assessing that the work content is consistent with the contract SOW, assessing the adequacy and time-phasing of budgeted resources, schedule logic and EV methods, and reasonableness of the latest estimates as appropriate.



### **3.1.8 Reviews**

#### **3.1.8.1 Manufacturing Reviews**

The contractor shall plan for and conduct and/or participate in a quarterly manufacturing review with Government participation at the contractor's facility. Major subcontractors shall support these reviews by providing data as part of their standard reporting process and attend the Reviews as required. The agenda for the reviews shall include schedule status, Average Unit Procurement Cost (AUPC) status updates, product assurance issues, subcontractor schedule status, problem areas, problems resolved, test equipment status, Certified Round Data Management (CRDM) status, quality issues, documentation status, and action items. The contractor shall provide handouts of the information to be presented. A conference report containing the minutes of the review shall be prepared in contractor format.

#### **3.1.8.2 Technical Interchange Meetings (TIMs)**

The contractor shall plan for and participate in TIMs with the Government as needed to address technical issues, obsolescence or any special subjects at the IPT level or above. The contractor shall record and distribute TIM minutes to all participants to document decisions or recommendations.

#### **3.1.9 Reserved**

#### **3.1.10 Cost Data Reports**

The contractor shall provide Cost Data Summary Report DI-FNCL-81565 (CDRL A025) and Functional Cost-Hour Report and Progress Curve Report (DD Form 1921-1) IAW DI-FNCL-81566 (CDRL A026).

#### **3.1.11 Reserved**

#### **3.1.12 Rough Order of Magnitude (ROM)**

The contractor shall support future manufacturing planning activities by providing quick turn around, low-level effort, and ROM estimates at the request of the Government. Any estimate shall provide high level visibility into the basis for the estimate.

### **3.2 Obsolescence Mitigation**

The contractor shall develop obsolescence mitigation plans for parts and assemblies that are obsolete. Obsolescence mitigation on this contract is limited to life-of-contract parts purchases. The contractor shall ensure that the Government remains informed of mitigation plans. The contractor shall conduct trade studies and analyses, as required, to accomplish obsolescence mitigation resolutions that are cost effective and reliable.

### **3.3 Mission Assurance Implementation Plan**

The contractor shall implement the Mission Assurance Implementation Plan (MAIP), Section J Attachment 7.

### **3.4 THAAD Fire Control and Communications (TFCC) Component**

The contractor shall build, test, integrate, evaluate, document, and deliver the TFCC component IAW the document listed in paragraph 3.9.1.1.1 of this SOW ( Part Number documented in Section J, Attachment 14a). The Government will sign Material Inspection and Receiving Reports (DD 250) following successful completion of the requirements documented in the Government approved component acceptance test plan (CATP).

### **3.5 THAAD Launcher Component (TLC)**

The contractor shall build, test, integrate, evaluate, document, and deliver the TLC IAW the document listed in paragraph 3.9.1.1.1 of this SOW ( Part Number documented in Section J, Attachment 14b). The Government will sign Material Inspection and Receiving Reports (DD 250) following successful completion of the requirements documented in the Government approved CATP.

### **3.6 THAAD Interceptor Component (TIC)**

The contractor shall build, test, integrate, evaluate, document, and deliver in test missile and fire unit missile configurations. The fire unit and test missile configuration part numbers are documented in Section J, Attachment 14c. The fire unit configuration shall be IAW the document listed in paragraph 3.9.1.1.1 of this SOW and shall differ from the test missile configuration only in that the Range Safety and Instrumentation System (RSIS) has been ballasted. The Government will sign Material Inspection and Receiving Reports (DD 250) following successful completion of the requirements documented in the Government approved CATP.

#### **3.6.1 Certified Round Data Management (CRDM) System**

The contractor's CRDM system shall provide traceability of serialized parts contained in selected assemblies and subassemblies to where they are used in each interceptor (serial number listing at Section J, Attachment 13). For these selected assemblies and subassemblies, the contractor shall maintain the capability to identify non-serialized electrical/electronic/electro-mechanical piece parts by the manufacturer's lot or date code, with an arbitration range of no more than two months production (i.e., recall shall be no more than the suspect production unit, plus two months production). The CRDM system shall maintain the applicability of Engineering Change Proposals (ECPs) and waivers/deviations to the interceptor. Selected performance data at the assembly level and interceptor level shall be electronically available. Test data for limited life parts shall also be accessible on electronic media. Other assembly and interceptor level test data shall be retained so that it is retrievable with minimal storage and retrieval costs.

### **3.7 Peculiar Support Equipment (PSE)**

The contractor shall perform the engineering efforts required to support the procurement, assembly, integration, testing, documentation, and delivery of the THAAD PSE identified in Section J

Attachment 14d.

### **3.7.1 Battery Support Center (BSC)**

The contractor shall build, test, integrate, evaluate, document and deliver the BSC IAW the document listed in paragraph 3.9.1.1.1 of this SOW.

### **3.7.2 Interim Contractor Support System (ICSS)**

The contractor shall build, test, integrate, evaluate, document and deliver the ICSS IAW the document listed in paragraph 3.9.1.1.1 of this SOW.

## **3.8 Systems Engineering**

The contractor shall perform the systems engineering efforts required to deliver THAAD components and integrate THAAD elements IAW Top Level Drawing number identified in Paragraph 3.9.1.1.1. The contractor shall provide a fire unit SIL capability, and the hardware necessary to support the Fire Unit configuration in the THAAD Technical Evaluation Center (TEC). The contractor shall use simulations in the SIL to ensure all system interfaces and functions operate according to the requirements and functionality of the hardware and software developed for the first two fire units. The contractor shall update the THAAD Fire Unit Fielding System Capabilities and Limitations document (LMSSC-P255372) IAW DI-MISC-80508A (CDRL A005). The contractor shall provide updates to the Systems Engineering design by initiating requests for engineering changes and requests for waivers and deviations IAW DI-CMAN-80639 (CDRL A008) and DI-CMAN-80640 (CDRL A009). The contractor shall implement a rigorous ECP process. The contractor shall ensure all required software has been archived in the Master Software Development Library (MSDL). The contractor shall ensure compatibility of all functional and physical interfaces. The contractor shall ensure cost effective utilization of existing computer resources (hardware and software), emulators, HWIL facilities, and modeling and simulation capabilities to achieve best value. Where appropriate, common army vehicles, shelters, communications and electronics equipment, support equipment, and common hardware/software shall be used.

### **3.8.1 Program Security**

The contractor shall maintain security features using established System Security Engineering processes IAW DoD 5200.1-R Information Security Program Regulation, Army Regulation (AR) 190-13 Physical Security Program, National Security Telecommunications and Information Systems Security Advisory Memorandum (NSTISSAM) Tempest/2-95; Committee on National Security Systems (CNSS) Advisory Memorandum Tempest 01-02; National Security Telecommunications and Information Systems Security Information (NSTISSI) 7003; AR 25-2 Information Assurance; DoD Instruction (DODI) 8500.1 Information Assurance (IA); DoDI 8500.2 Information Assurance (IA) Implementation; the DoDI 5200.40 Information Technology Security Certification & Accreditation Process; Common Criteria and National Security Telecommunications and Information Systems Security Policy (NSTISSP) Number 11. All Component security requirements shall meet protection standards as defined by the THAAD Program Protection Plan, THAAD Operations Security (OPSEC) Plan, and the THAAD Security Classification Guide (SCG). The contractor shall prepare the System Security Concept (PSSC) IAW DI-MISC-80840 (A015)

### **3.8.2 Industrial/Facility Security**

The contractor shall implement DoD 5220.22-M, National Industrial Security Program Operating Manual (NISPOM), to govern facility security.

### **3.8.3 Operations Security**

The contractor shall continue the OPSEC program in accordance with the current version of the THAAD OPSEC Plan. All classified and unclassified information, data and material shall be managed in accordance with the NISPOM, and as directed by the DOD Contract Security Classification Specification (DD Form 254) issued for this effort. Tactical equipment shall be managed IAW paragraph 3.8.1 above entitled Program Security

### **3.8.4 Software**

The contractor shall integrate the latest version of the component software as released in the MSDL at the time of component delivery. The contractor shall provide updates to the baseline IAW DE-CMAN-80639 (CDRL A008).

### **3.8.5 Risk Management**

The contractor shall implement a technical, cost, and schedule, risk management process in compliance with the THAAD Risk Management Plan. During the execution of the contract, the contractor shall identify and prioritize risk areas. The contractor shall leverage from the development phase those products, processes, and practices that shall reduce development efforts, manufacturing costs, and operational support costs; thereby minimizing program and schedule risks.

## **3.9 CONFIGURATION DATA MANAGEMENT (CDM)**

### **3.9.1 Configuration Management (CM)**

The contractor shall Conduct CM IAW the Configuration Management Plan (CMP), Section J Attachment 8.

#### **3.9.1.1 Functional Baseline (FBL), Allocated Baseline (ABL) and Product Baseline (PBL) Documentation**

The contractor shall maintain and update the FBL, ABL and PBL documents baselined by the Government at contract award. The baseline as defined in paragraph 3.9.1.1.1 below shall remain under control of the Government. All other baseline documents shall be under contractor control. At the discretion of the Government, the contractor shall deliver the PBL documentation for selected major end items, assemblies, and spare parts IAW DFAR 252.227-7027 Deferred Ordering of Technical Data or Computer Software. The Government shall require correction of any deficiencies, which are not in compliance with contract requirements. Software portion of PBL shall be prepared IAW DI-MCCR-80700 (CDRL A012) and J-STD-016-1995.

The contractor shall prepare requests for nomenclature IAW DI-CMAN-81254 (CDRL A019) for all major end items that are to be type classified.

#### **3.9.1.1.1 Government Controlled Baselines**

13551440

THAAD Weapon System Top Assembly

#### **3.9.2 Configuration Change Control**

Specifications and other documentation under Government change control at contract award is as identified in SOW paragraph 3.9.1.1.1. This document shall be revised 30 days prior to a component ATP to define the PBL and to support the ATP and hardware delivery and 30 days following EICO. The remainder of the FBL, ABL and PBL documentation is delegated to contractor control. Variances to documents under Government control shall be implemented only after Government approval of ECPs prepared IAW DI-CMAN-80639 (CDRL A008) or Requests for Deviation (RFD) prepared IAW DI-CMAN-80640 (CDRL A009). The contractor shall assign ECP numbers obtained from the Government. The contractor shall control the remainder of the FBL, ABL; however, changes to the FBL, ABL and PBL shall result in a common configuration for Government operational use and maintenance activities that provide interchangeability and interoperability to the replacement part level. For all changes to documents under contractor control such that major program cost and schedule impacts may occur the contractor shall provide to the Government documentation necessary for review of such changes a minimum of forty-eight (48) hours in advance of the conduct of any Configuration Control Board (CCB) addressing such changes. The documentation shall be made available via Electronic Data and Management System (EDAMS).

#### **3.9.3 Configuration Status Accounting (CSA)**

The contractor shall maintain a CSA capability. The CSA shall be capable of tracking multiple baselines in order to define, the fire unit fielding contract, in compliance with management of the THAAD program.

#### **3.9.4 Configuration Reviews and Audits**

The contractor shall plan for and support Government CM reviews and audits on an annual basis. The Government reserves the right to audit/review the contractor's PBL data and the processes for generation and control of this data.

#### **3.9.5 Data Accession List (DAL)**

The contractor shall generate and maintain a DAL IAW DI-MGMT-81453 (CDRL A022). The DAL shall identify the data generated by the contractor in performance of the contract.

#### **3.9.6 Data Management**

The contractor shall continue the data management program with controls to address quality of data preparation, compliance with data specification, timely submittal, maintenance, and tracking of all data deliverables and related correspondence.

#### **3.9.7 Electronic Data and Management System (EDAMS)/Contractor Information Technical Interchange System (CITIS)**

The contractor shall use EDAMS for data sharing, or the contractor shall provide the Government access to data through their CITIS environment for the THAAD element interceptor, launcher,

TFCC, and PSE.. When data cannot be transmitted or accessed via EDAMS/CITIS, the contractor shall provide the data by an alternative means of equal security that is approved by the Government. Unless specifically provided otherwise in individual CDRLs, EDAMS/CITIS is an authorized means of delivering data/information under this contract. For classified material, the contractor shall use classified EDAMS or the contractor shall provide the Government access through an alternative, classified CITIS environment

### **3.10 Product Assurance**

#### **3.10.1 Quality Assurance**

The contractor shall implement and maintain an effective and economical quality system IAW AS9100 or equivalent systems. The contractor shall revise and submit for approval the Quality Assurance Program Plan P515966 IAW DI-QCIC-81187 (CDRL A017). The contractor's quality program shall ensure that all inspections/tests required by the contract requirements are contained in the contractor's manufacturing planning and manufacturing methods and are being performed, and these same requirements shall be flowed down to subcontractors and suppliers to ensure overall compliance to the contract. The contractor shall develop, implement and maintain controlled procedures for inspection and test equipment to ensure products meet the specified performance requirements. Inspection and test equipment, and acceptance test procedures necessary to verify acceptance criteria specified in the drawings and performance specifications at the formal acceptance (DD250) level of assembly, shall require Government validation except for non-spares storage and aging assets.

##### **3.10.1.1 Environmental Stress Screening (ESS)**

Environmental Stress Screening (ESS) shall be utilized to ensure the effective removal of latent defects from the FUF equipment. The contractor shall perform ESS on all electrical and electromechanical tactical hardware and on mission critical Commercial Off-the Shelf (COTS) hardware where no evidence of an appropriate vendor ESS has been performed. The ESS effectiveness shall be routinely monitored by contractor personnel using the contractors established FRACAS/FRB. Using data from the manufacture of hardware for the components of the first fire unit, the contractor shall conduct a review of the ESS program to evaluate the need for updates/enhancements.

#### **3.10.2 Product Acceptance**

The contractor shall perform manufacturing product acceptance IAW established quality system policies and procedures that demonstrate hardware/software compliance to the required performance specifications. All test stations and procedures used for formal acceptance (DD250) of hardware in the factory will be validated by the Government prior to use. The contractor shall control test station software and hardware configurations IAW established configuration management policies and procedures. The contractor shall notify the Government prior to making any hardware/software changes to validated test stations. The Government reserves the right to require revalidation of any test station changes made by the contractor or the contractor's

representative. If validation is required, it shall be coordinated such that no hardware is offered for inspection/testing until the change has been properly incorporated and validated by the Government.

### **3.10.3 Parts, Material and Process (PMP) Control Program**

The contractor shall implement and maintain a PMP Control Program to ensure the selection and use of parts, materials, critical processes and COTS equipment, meet specified performance, quality, reliability, safety, supportability, and CM requirements throughout the life cycle of the system. The program shall include provisions for mitigating the impact of parts obsolescence on product integrity. IAW DI-QCIC-81187 (CDRL A017), the contractor shall revise and submit for approval the PMP Plan describing the approach and methodology for implementing the PMP Program. The contractor's revised PMP Plan shall contain all of the requirements of the current PMP Plan and shall document methods for assuring that parts and materials with pure tin finishes are not used in the THAAD hardware. Examples include use of X-Ray fluorescence at receiving inspection and including pure tin disclosure requirements on purchase orders.

#### **3.10.3.1 Approved Parts, Material and Process (PMP) List**

The contractor's currently maintained program PMP list and all subsequent revisions shall be made available for Government review upon request. Only parts evaluated and approved by the THAAD TPRB shall be listed on the PMP list.

#### **3.10.3.2 Microcircuit and Semiconductor Receiving Inspection (MSRI) Program**

The contractor shall implement an MSRI program to verify that purchased parts and materials meet the requirements of the purchase order.

#### **3.10.3.3 Obsolescence Management**

The contractor shall conduct an internal parts obsolescence program IAW the Government-approved PMP Plan. This program shall include a report to categorize and quantify identification of obsolete parts, problem resolution and a recommended approach for mitigating risks associated with obsolete parts. The contractor shall establish a process to address the following obsolescence/Diminishing Manufacturing Source (DMS) issues: (a) Obsolescence Working Group (OWG): The contractor shall actively participate in a quarterly contractor-led OWG during the life of the contract. The contractor shall maintain a process for identification, resolution and implementation for all DMS/Obsolescence issues associated with the hardware under this contract; (b) End of Life Notification. The contractor shall notify the Government if it is determined that a component required in the delivery of the system is unavailable due to obsolescence/DMS issues within 30 days after identification. The contractor shall report on impacts to applicable CCAs; (c) DMS Prediction. The contractor shall identify all vulnerable or high DMS risk components and COTS equipment. Contractor shall provide a quarterly obsolescence report to inform the Government of current and predicted DMS risks IAW DI-MISC-80508 (CDRL A004); and (d) DMS Resolution. The contractor's process and notification to the Government shall address all possible options available for economical resolution. The contractor shall generate obsolescence cases and track mitigation status within 30 days of risk identification. The contractor shall identify obsolete, in-house special test equipment (STE) and special inspection equipment (SIE).

#### **3.10.4 Failure Reporting Analysis and Corrective Action System (FRACAS)**

The contractor and his subcontractors/vendors shall continue the FRACAS program. The contractor's Reliability Engineering organization shall approve/concur with the analysis, corrective action, and closure of all functional failures of deliverable hardware. The FRACAS shall include collection and analysis of testability related data. Failure Review Board (FRB) data packages identifying all failures, the failure description, current root cause and corrective action status, age of the root cause/corrective action activity, and current open actions shall be posted to the EDAMS/CITIS website 24 hours prior to regularly scheduled FRBs and to use best effort to provide information prior to adhoc or emergency FRBs.

##### **3.10.4.1 Missile Stockpile Reliability**

The contractor shall identify limited life items used in the fieldable interceptor round that require replacement, recalibration or retest at the end of the interceptor certification period, by considering the effects of periodic functional testing, long term dormant storage, handling, transportation, maintenance and deployment. This information shall be available for review upon request.

##### **3.10.4.1.1 One-Shot and Limited-Life Items**

The contractor shall deliver the one-shot and limited-life items listed in Section F.

#### **3.11 Manufacturing**

The contractor shall develop a manufacturing qualification approach to perform manufacturing qualification on hardware configuration item(s) in the event of a substantial change to manufacturing processes, equipment, facilities, a break in continuous manufacturing of more than twelve months, or where there has been degradation in hardware quality. Manufacturing qualification shall consist of a combination of manufacturing process verification (MPV) and manufacturing qualification test (MQT).

##### **3.11.1 Transition/Manufacturing Plan**

The contractor shall submit an update to the Transition/Manufacturing Plan IAW DI-MGMT-80790 (CDRL A014).

##### **3.11.2. Manufacturing Process Verification (MPV)**

The contractor shall conduct an MPV on each design detail to verify that the hardware and fabrication processes are IAW the design and fabrication planning/process documentation. The MPV shall be performed prior to the delivery of manufacturing hardware, shall reflect the documentation/tooling used during fabrication of the manufacturing hardware, key manufacturing process witnessing, and include actual inspection data for each dimension identified in the design documentation, including evidence of compliance to drawing note requirements. The MPV and MQT shall be required on the first manufacturing lot after the contractor and/or his suppliers break the 12-month threshold and/or has substantial change to manufacturing processes, equipment or facilities and/or a build-to-print product is sourced to a different company. The contractor and/or his subcontractors shall be required to perform any or all of these tasks (MQT, MPV and MPVR) in the event of degradation of hardware quality. The results of this MPV shall be included in the MPV folders compiled during the reviews and made available on EDAMS/CITIS.



### **3.11.3. Manufacturing Process Verification Review (MPVR)**

The MPVR shall be conducted on the configuration items developed by the contractor for form, fit, and function of the complete TDP. This review shall include a full review of the MPV folders for the lower level components/assemblies. The MPVR shall be conducted by the contractor with Government support at the contractor's/subcontractor's manufacturing facility after the completion of MPV. The results of this MPVR shall be included in the MPVR folders after the completion of the reviews and made available on EDAMS/CITIS.

### **3.11.4 Manufacturing Qualification Test (MQT)**

MQT is defined as inspection and/or test activities that are imposed in addition to the normal manufacturing activities to provide confidence that the process change(s) does (do) not adversely affect use. MQT items shall be fabricated using the planned manufacturing methods. The contractor shall plan, develop, and conduct MQTs on redesigned assemblies resulting from design and/or process changes, obsolescence redesign/replacement, and/or hardware quality issues. The level of MQT (full or partial) to be conducted on the affected assemblies shall be determined within the IPPD Process. The contractor shall use MQT test plans generated under DASG60-00-C-0072 for each affected assembly and provide summary MQT test reports to the Government in contractor format within the IPPD process as necessary.

### **3.11.5 Producibility**

The contractor shall use sound business practices to evaluate opportunities to improve manufacturing methods and processes

### **3.11.6 Value Engineering (VE)**

The contractor shall host a minimum of two (2) regional VE one-day training sessions for missile subcontractors with a contract value greater than or equal to \$500,000 and all TFCC and Launcher subcontractors with a contract value greater than or equal to \$100,000. The training shall be conducted within six (6) months after contract award within the Continental United States (CONUS) at a host contractor's facility. The Government will conduct the training to introduce the TPO VE program approach, to clarify contractor benefits, and to describe the value engineering change proposal (VECP) submittal and evaluation process. The contractor shall support the Government at each location during the conduct of the training.

## **3.12 Component Acceptance**

The Government will accept the THAAD fire unit components by signing Material Inspection and Receiving Reports (DD Form 250) following successful completion of the requirements documented in the Government approved CATP. As noted in SOW paragraph 1.0, separate DD 250s will be issued to the prime contractor under this contract for all deliverable components.

### **3.12.1 Component Acceptance Tests**

The contractor shall submit a CATP that addresses each component IAW DI-QCIC-80553 (CDRL A006). The contractor shall submit an Acceptance Test Report IAW DI-MISC-80652 (CDRL A010) for each component following completion of the component acceptance identified in

paragraph 3.12. Government acceptance of the deliverables will be based on successful completion of the requirements documented in the CATP.

### **3.13 Element Integration and Checkout (EICO)**

The contractor shall integrate and checkout the THAAD fire unit components (launcher, TFCC, and PSE) with a Government provided radar. The EICO shall include integration of the Simulation Over Live Driver (SOLD) to the first fire unit and complete integration and checkout of that fire unit IAW the Government approved EICO test plan. In addition, the contractor shall perform a checkout of the components of the second fire unit using the tasks defined under Objective 1 in the EICO Plan.

#### **3.13.1 Element Integration and Checkout Test**

The contractor shall submit an EICO test plan IAW DI-NDTI-80566 (CDRL A007). The contractor shall submit an EICO Test Report IAW DI-MISC-80652 (CDRL A011) following completion of the EICO identified in paragraph 3.13.

#### **3.13.3 Range Requirements and Documentation**

The contractor shall satisfy data submittal requirements specified in the specific range user handbook of the selected Major Range Test Facility Base (MRTFB). The contractor shall prepare required range documentation IAW the Range Command's Council's Universal Documentation System (UDS) and DI-MISC-80711 (CDRL A013).

### **3.14 Safety**

#### **3.14.1 Environmental Laws**

The contractor shall comply with all federal, state, and local environmental laws, regulations, and policies for all activities defined in this SOW, whether conducted at Government or contractor facilities. The contractor shall manage the efforts under this contract so that THAAD Element design, development, test, manufacturing, and operation activities prevent, mitigate, or control adverse environmental impacts, including industrial pollution and hazardous wastes. The contractor shall provide detection and secondary containment for unique transportation environments.

#### **3.14.2 System Safety Program**

The contractor shall continue the system safety program IAW the Integrated System Safety Program Plan, Section J Attachment 9. Specific items to be emphasized (not comprehensive) are as follows: (a) hazard identification, analysis, hazard tracking, and developing mitigation; (b) support to the System Safety Working Group; (c) safety impact analysis on all software changes, requests for design variances or waivers, and ECPs; and (d) safety metrics.

#### **3.14.3 Safety Assessment**

The contractor shall assess critical materials, parts and assemblies, manufacturing techniques, assembly procedures, facilities, testing, and inspection requirements for safety impact. The

contractor shall ensure: (a) adequate safety provisions are included in the planning and layout of the manufacturing line to establish safety control of the system within the manufacturing process and operations; (b) adequate safety provisions are included in the inspections, test procedures, and checklists for quality control of the equipment being manufactured so safety achieved in design is maintained during manufacturing; and (c) manufacturing procedures contain required warnings, cautions, and special procedures and are contained in the contractor's Operational and Support Hazard Analysis.

#### **3.14.4 Accident Prevention Program**

Contractors with Government-owned, contractor-operated (GOCO) facilities and contractors with privately-owned, privately-operated (POPO) facilities, shall establish and maintain a comprehensive accident prevention program for their activities relating to their contractual obligation. Any accident or incident occurring during the pursuit of this contract shall be reported to the Government IAW AR 385-40.

#### **3.14.5 Facility Safety**

All explosive and related dangerous material facilities and operations shall comply with the provisions of DOD 4145.26M (DoD Contractors' Safety Manual for Ammunition and Explosives) for contractor-owned, contractor-operated (COCO) facilities and AR 385-64 (US Army Explosives Safety Program) for GOCO facilities. All facilities utilized by the contractor for work under this contract involving explosives and related dangerous material shall be made available for survey by Government safety personnel upon request.

#### **3.14.6 Hazardous Materials Management**

The contractor shall not use Class I and should not use Class II Ozone Depleting Substances (ODSs), as defined in Title IV of the Clean Air Act Amendments of 1990, in the redesign, manufacture, operation, maintenance, and/or disposal of the THAAD components. The contractor shall minimize or avoid the use of any HAZMAT with special emphasis on the Environmental Protection Agency (EPA) list of 17 toxic chemicals as well as the DoD's 'Top 10 Toxic Release Inventory (TRI) List of Hazardous Chemicals'. These materials are listed in the THAAD Hazardous Material Management Program (HMMP). The contractor shall submit a written request to the Government contracting office with justification for permission to use any of the materials on these lists. The prime contractor and each subcontractor shall submit to the Government contracting officer a copy of their TRI report as submitted to the EPA. The contractor shall use the HMMP Plan, Section J Attachment 10, as the program policy in this area.

#### **3.14.7 Safety Deficiency Correction**

Hazards shall be reduced to the appropriate level in accordance with MIL-STD-882C. The contractor shall also identify any test or verification necessary to ensure compliance with safety requirements.

### **3.15 Integrated Logistics Support (ILS)**

#### **3.15.1 Ammunition Data Cards and Lot Numbers**

The contractor shall prepare Ammunition Data Cards complete with Ammunition Lot Numbers IAW DI-MISC-80043 (CDRL A001).

##### **3.15.1.1 Worldwide Ammunition Reporting**

The contractor shall provide a status report for the Worldwide Ammunition Reporting System IAW DI-MGMT-80368 (CDRL A003) for all new, renovated or modified interceptors or rockets. This reporting system shall ensure adequate reporting of Army-owned assets.

#### **3.15.2 Item Unique Identification (IUID) Requirements**

The contractor shall mark the components, parts, and end items required by DFARs 252.211-7003 (Section J Attachment 5). The contractor shall develop the IUID and verify that the IUID numbers are not duplicated in the IUID Registry. The contractor shall ensure the IUID markings are machine readable and meet the standards in MIL-STD-130. The contractor shall enter the IUID and required data elements into the IUID Registry. The contractor shall update the IUID Registry for parts provided as GFE already having an IUID assigned.

#### **3.15.3 Initial Spares**

The contractor shall fabricate, assemble, inspect, test and deliver initial issue spares for a prescribed load list (PLL) in support of the fire unit fielding program that the Government will stock and store in the BSC and ICSS. The contractor shall identify the type and quantity of spares to be built, and provide updates to the Government in contractor format within the IPPD process as necessary, for obsolescence, logistics management information, and logistics modeling. Acceptance of spares shall be by DD Form 250 at the contractor's facility.

#### **3.15.4 Training Devices**

The contractor shall fabricate, assemble, inspect, test, and deliver Missile Round Trainers (MRTs). Thirty-two (32) of the trainers shall be weighted and sixteen (16) shall be non-weighted to represent fully-load and non-load interceptors on a THAAD Missile Round Pallet.