

**DELIVERY ORDER**

**FINAL**

1. CONTRACT NO. N00178-04-D-4119	2. DELIVERY ORDER NO. HR0405	3. EFFECTIVE DATE ORIG 04/04/2006 MOD 11/21/2006	4. PURCHASE REQUEST NO. N61331-07-MR-55773
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5. ISSUED BY NSWC, PANAMA CITY Robert D. Kuczenski XPS2 110 Vernon Avenue Panama City, FL 32407-7001 robert.kuczenski@navy.mil 850-234-4864 Ext.	CODE N61331	6. ADMINISTERED BY NSWC, PANAMA CITY 110 Vernon Avenue Panama City, FL 32407-7001	CODE N61331
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7. CONTRACTOR AMSEC LLC 2829 Guardian Lane Virginia Beach, VA 23452	CODE 1LT84	FACILITY	8. DELIVERY DATE See Section F
			9. CLOSING DATE/TIME
			SET ASIDE TYPE
			10. MAIL INVOICES TO See Section G

11. SHIP TO See Section D	12. PAYMENT WILL BE MADE BY DFAS Charleston Vendor Pay Code FP P.O. Box 118054 Charleston, SC 29423-8054	CODE N68892
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13. TYPE OF ORDER	<input type="checkbox"/> D	<input checked="" type="checkbox"/> X	This delivery order/call is issued on another Government agency or in accordance with and subject to terms and conditions of above-numbered contract.
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ACCEPTANCE. THE CONTRACTOR HEREBY ACCEPTS THE OFFER REPRESENTED BY THE NUMBERED PURCHASE ORDER AS IT MAY PREVIOUSLY HAVE BEEN OR IS NOW MODIFIED, SUBJECT TO ALL OF THE TERMS AND CONDITIONS SET FORTH, AND AGREES TO PERFORM THE SAME.

AMSEC LLC



NAME OF CONTRACTOR      SIGNATURE      TYPED NAME AND TITLE      DATE SIGNED

14. ACCOUNTING AND APPROPRIATION DATA  
See Section G

15. ITEM NO.	16. SCHEDULE OF SUPPLIES/SERVICES	17. QUANTITY ORDERED/ACCEPTED*	18. UNIT	19. UNIT PRICE	20. AMOUNT
See the Following Pages					

*If quantity accepted by the Government is same as quantity ordered, indicate by X. If different, enter actual quantity accepted below quantity ordered and encircle.	21. UNITED STATES OF AMERICA By: Tammy L. Bair CONTRACTING/ORDERING OFFICER	22. TOTAL 11/22/2006 \$3,056,842.00
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SECTION	DESCRIPTION	SECTION	DESCRIPTION
B	SUPPLIES OR SERVICES AND PRICES/COSTS	H	SPECIAL CONTRACT REQUIREMENTS
C	DESCRIPTION/SPECS/WORK STATEMENT	I	CONTRACT CLAUSES
D	PACKAGING AND MARKING	J	LIST OF ATTACHMENTS
E	INSPECTION AND ACCEPTANCE		
F	DELIVERIES OR PERFORMANCE		
G	CONTRACT ADMINISTRATION DATA		

AUTHORITY: FAR 52.232-22 LIMITATION OF FUNDS (APR 1984)

The purpose of this modification is to increase the estimated amount of CLIN 3000, and to allot incremental funding for both CLIN 1000 and CLIN 3000. Accordingly, this Task Order is modified as follows:

A. The estimated amount of CLIN 3000 is increased from [REDACTED] There is no fee on this CLIN.

B. As a result of the increase in CLIN 3000, the total estimated amount of this order is increased from [REDACTED]

C. Incremental funding in the amount of [REDACTED] is hereby allotted to CLIN 1000. Informational line items 100009 and 100010 are added to the schedule in section B, and new lines of accounting for ACRN AK - [REDACTED] and ACRN AM - [REDACTED] are added to the Accounting Data in section G, as shown in the attached Task Order conformed copy. As a result, the total funded amount of CLIN 1000 is increased from [REDACTED] CLIN 1000 is now fully funded.

D. Incremental funding in the amount of [REDACTED] is hereby allotted to CLIN 3000. Informational line items 300005, 300006, 300007 and 300008 are added to the schedule in section B, and new lines of accounting for ACRN AK - \$100,000, ACRN AL [REDACTED], ACRN AK [REDACTED] and ACRN AL - [REDACTED] are added to the Accounting Data in section G, as shown in the attached Task Order conformed copy. As a result, the total funded amount of CLIN 3000 is increased from [REDACTED] by [REDACTED] to [REDACTED] CLIN 3000 is also fully funded.

E. The INCREMENTAL FUNDING SCHEDULE clause in section B of the order is revised as shown in the attached Task Order conformed copy.

F. All other terms and conditions of the order remain unchanged.

Attach:

- Task Order conformed copy - 14 pgs.

SECTION B SUPPLIES OR SERVICES AND PRICES

CLIN - SUPPLIES OR SERVICES	Unit	Est. Cost	Fixed Fee	CPFF
Item Supplies/Services Qty				
1000 Services, Materials, Technical Data and Information necessary to provide Prototype Fabrication and Engineering Support IAW the Statement of Work, DD-Forms 1423 and DD Form 254. Term Form Task Order. (RDT&E)				
100001 Incremental Funding for CLIN 1000 ACRN:AA Purchase Request Number 60125799				
100002 Incremental Funding for CLIN 1000 ACRN:AC Purchase Request Number 61026211				
100003 Incremental Funding for CLIN 1000 ACRN:AE Purchase Request Number 61565526				
100004 Incremental Funding for CLIN 1000 ACRN:AF Purchase Request Number 61565530				
100005 Incremental Funding for CLIN 1000 ACRN:AE (Increase) Purchase Request Number 61732690				
100006 Incremental Funding for CLIN 1000 ACRN:AH Purchase Request Number 62284272				
100007 Incremental Funding for CLIN 1000 ACRN:AG Increase Purchase Request Number 62621604				
100008 Incremental Funding for CLIN 1000 ACRN:AJ Purchase Request Number 62705676				
100009 Incremental Funding for CLIN 1000 ACRN:AK				
100010 Incremental Funding for CLIN 1000 ACRN:AM				

[REDACTED]  
 3000 Travel and Material Other Direct Costs (ODC's) necessary to support CLIN 1000. (RDT&E) 1.0 Lot [REDACTED]  
 300001 Incremental Funding for CLIN 3000 ACRN:AB [REDACTED] Purchase Request Number 53481801  
 300002 Incremental Funding for CLIN 3000 ACRN:AD [REDACTED] Purchase Request Number 61026189  
 300003 Incremental Funding for CLIN 3000 ACRN:AG [REDACTED] Purchase Request Number 61565525  
 300004 Incremental Funding for CLIN 3000 ACRN:AD [REDACTED] (Increase) Purchase Request Number 61732691  
 300005 Incremental Funding for CLIN 3000 ACRN:AK [REDACTED]  
 300006 Incremental Funding for CLIN 3000 ACRN:AL [REDACTED]  
 300007 Incremental Funding for CLIN 3000 ACRN:AK [REDACTED]  
 300008 Incremental Funding for CLIN 3000 ACRN:AL [REDACTED]

**INCREMENTAL FUNDING SCHEDULE**

This order is incrementally funded. The Government anticipates that funding will be allotted in accordance with the following schedule

CLIN 1000  
 Upon Award - [REDACTED]  
 14 Apr 2006 - [REDACTED]  
 8 Jun 2006 - [REDACTED]  
 25 Aug 2006 - [REDACTED]  
 27 Sep 2006 - [REDACTED]  
 21 Nov 2006 - [REDACTED]

CLIN 3000  
 Upon Award - [REDACTED]  
 14 Apr 2006 - [REDACTED]  
 8 Jun 2006 - [REDACTED]  
 25 Aug 2006 - [REDACTED]  
 21 Nov 2006 - [REDACTED]

Notwithstanding the above funding schedule, the contractor is only obligated to continue performance up to the point at which the total amount payable by the Government is equal to the funded amount. FAR clause 52.232-22 LIMITATION OF FUNDS (APR 1984) in the basic SEAPORT-E contract applies.

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## SECTION C DESCRIPTIONS AND SPECIFICATIONS

### STATEMENT OF WORK FOR PROTOTYPE FABRICATION AND ENGINEERING SUPPORT

#### 1.0 SCOPE

Naval Surface Warfare Center Panama City (NSWC PC), Code L12, requires contractor support to design, produce drawings, provide engineering support, provide documentation support, produce prototype, test prototypes, provide integration support and management support to support AN/WLD-1 Remote Minehunting System (RMS) to Littoral Combat Ship (LCS) integration.

#### 2.0 APPLICABLE DOCUMENTS

The following documents, of the exact issue shown, form a part of this Statement of Work (SOW) to the extent specified herein. In the event of conflict between the documents referenced and the contents of this SOW, the SOW shall supersede. Second tier and lower references, (i.e., those referenced in the primary references) shall be used for guidance only.

2.1 Military Specifications: None

2.2 Military Standards: None

2.3 Other Documents: None

#### 3.0 REQUIREMENTS

The contractor shall submit a completed PMS501 Certificate of Non-Disclosure and Statement of Financial Interest Form (Attachment 1) for all engineers, technical and associated support personnel working on this Task Order.

The contractor shall provide engineering and technician support to accomplish tasks identified below.

##### 3.1 Engineering Support

The contractor shall provide engineers and technicians to develop prototype concepts, detailed designs, drawings, prototypes, integration support, testing and documentation based on GFI. The contractor shall provide two lead Senior Engineers. The Senior Engineers will coordinate all prototype work including design, fabrication, drawings, configuration, documentation and quality. The two Senior Engineers will attend and provide technical input at weekly project meetings at NSWC PC.

##### 3.2 Prototype concepts and detailed design

These designs are considered high risk and require coordination with NSWC PC engineering efforts. The contractor shall work with NSWC PC engineers to coordinate design efforts and support periodic technical reviews. Typically the reviews will be conducted one to three times per week at NSWC PC. The technical reviews will include detailed design, analysis, trade off discussions, prototype status, bench top testing and technical issues. The purpose of this review is to exchange information and minimize project risk. The contractor engineers and technicians will be present, in person, for these reviews. Typically each member of the team will be asked to contribute technical data, advice or expert opinion. Results of these reviews will be considered GFI.

The contractor shall implement a process approved by NSWC PC to develop and control the solid model, drawings, analysis and fabrication. The Contractor shall use Solid Model® software, Solid Edge® or Solid Works® to generate all solid models and drawings. The Contractor shall generate drawings in native format for all prototype hardware, approx 200 sheets will be required. The Contractor shall also provide drawings as Adobe® Acrobat® files (.pdf) as requested by NSWC PC. All data developed will be delivered.

The Contractor shall conduct analyses by hand calculations, Finite Element Analysis and analysis software. The Contractor shall use Finite Element Analysis (FEA) software “NASTRAN®” or “ALGOR®” and analysis software shall be “MathCad®” format. The contractor shall provide all solid models, drawings, analysis results, analysis files required to produce the same results if run on a second computer including FEA models, load files, pre and post processor files. All designs and analysis shall be provided to NSWC PC. The designs and analysis shall not contain any company proprietary data.

##### 3.3 Prototype Fabrication

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The Contractor shall have an existing ISO-9000 quality program in place at its prototype fabrication facility. In addition fabrication will be conducted per a process approved by NSWC PC. The fabrication process will require part traceability to the drawing, onsite NSWC PC inspections and objective quality evidence as defined by the drawing. The contractor shall work with NSWC PC to fabricate prototypes per Government Furnished Information (GFI). The purpose of developing these prototypes is to test proposed design changes from the baseline AN/WLD-1 (that was designed for the Arleigh Burke class destroyer) to determine that the re-designed AN/WLD-1 will feasibly fit and function the two proposed Littoral Combat Ship (LCS) designs. For estimating purposes the following prototype fabrication is planned to be done during the period of performance:

- a) two Remote Minehunting Vehicle (RMV) Auto Antenna
- b) two RMV Auto-Elevators
- c) two RMV Camera
- d) one Capture Spine Mock Up
- e) one RMV Tow hook kit
- f) Two, Radio Equipment Cabinet.
- g) One Maintenance Support Equipment Prototype.

Other prototypes may be requested during the contract.

### 3.4 System Engineering Integration and Test Support

The contractor shall provide integration support at NSWC PC, Lockheed Martin Perry and other facilities as required. Offsite integration support is estimated as four trips with 3 engineers and 5 working days per trip. Integration support will typically include on site installation, testing and test support to verify prototype characteristics when operating or simulated operations.

### 3.5 Schedule

This project has a restrictive schedule. Prototype hardware must be completed to verify ship operations by May 2006 followed by trouble shooting and integration testing. The contractor shall meet the following key milestones.

- a. Within 15 working days of contract award the contractor shall demonstrate a viable full scale bench top test which demonstrates the auto elevators and that the auto antennae provides the required control.
- b. The goal is to complete the camera, auto antennae and auto elevator prototypes by 17 March 2006.

### 3.6 Status Reports

The contractor shall provide verbal technical status reports during weekly meetings that describes the status of contractor effort towards achieving contract objectives. The contractor shall prepare a written monthly status report that documents the status of contractor effort towards achieving contract objectives and financial expenditures.

### 3.7 Overnight Shipping

The contractor shall provide overnight shipping of items including documentation and drawings to various Government and contractor facilities. Approximately 20 packages will require shipping during the task order period of performance.

### 3.8 Travel

It is anticipated that the contractor will travel to West Palm Beach FL, Syracuse New York and Washington DC. The number of trips and locations may vary as program requirements dictate.

### 4.0 GOVERNMENT FURNISHED INFORMATION (GFI)

GFI consisting of RMS/LCS technical documentation, program documentation, and scheduling information will be provided throughout the task order period of performance as it becomes available. Disposition of GFI will be provided by the NSWC Task Leader throughout the task order period of performance.

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## 5.0 DELIVERIES

### 5.1 Hardware Deliverables

All hardware, prototypes, bench top models will be provided to NSWC PC upon contract completion or as requested by NSWC PC.

### 5.2 Data Deliverables

All design, drawings, analysis and engineering data related to this effort will be provided to NSWC PC

All data deliveries shall be in accordance with the schedule set forth in the attached DD Form 1423, Exhibit A.

## 6.0 PERIOD OF PERFORMANCE

The period of performance shall be from the date of issuance of the task order to 30 November 2006.

## 7.0 SECURITY

Performance of the tasks described in this SOW shall require access to information classified up to and including SECRET information. All documents prepared under this task order shall be classified in accordance with guidance contained in the security guidelines. All provisions of the attached DD Form 254 apply.

## 8.0 DISTRIBUTION LIMITATION STATEMENT

Technical documents generated under this task order shall carry the following distribution limitation statement. Word processing/CAD files shall have the statements included in the file such that the first page of any resultant hard copy shall display the statements. For drawings, the statement shall be in the detail of the drawing. Additionally, each diskette delivered shall be marked externally with the statements.

FURTHER DISSEMINATION ONLY AS DIRECTED BY THE PROGRAM EXECUTIVE OFFICE, LITTORAL & MINE WARFARE (PMS490 and 420), WASHINGTON, D.C. (DATE OF DETERMINATION) OR HIGHER DOD AUTHORITY.

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. For Unclassified, Limited Documents, destroy by any method that will prevent disclosure of contents or reconstruction of the document.

## 9.0 RELEASE OF INFORMATION

All technical data provided to the contractor by the Government will be protected from public disclosure in accordance with the markings contained thereon. All other information relating to the items to be delivered or services to be performed under this task order may not be disclosed by any means without prior approval of the authorized representative of the Contracting Officer. Dissemination or public disclosure includes, but is not limited to, permitting access to such information by foreign nationals or by any other person or entity; publication of technical or scientific papers; advertising; or any other proposed public release. The contractor shall provide adequate physical protection to such information so as to preclude access by any person or entity not authorized such access by the Government.

## 10.0 PERFORMANCE BASED REQUIREMENTS

This requirement is performance based. The standards for performance, the acceptable quality level (AQL) and incentives are defined as follows:

**DATA DELIVERABLES:** The standard for performance is on time data deliverables delivered on or before the due date - 90% delivered on time. TOM/Technical POC verification of delivery is required. The negative incentive for not meeting this standard is a 10% reduction in fixed fee if AQL requirement is not met.

**QUALITY OF DATA DELIVERABLES:** The standard for performance pertaining to quality of data deliverables is acceptable quality with no major rewrites required based on TOM/Technical POC review of documentation. The negative incentive for not meeting this standard is a 10% reduction in fixed fee if AQL requirement is not met

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## SECTION D PACKAGING AND MARKING

Packaging and Marking shall be to best commercial practices.



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## SECTION E INSPECTION AND ACCEPTANCE

Inspection and Acceptance shall be performed by the Government at NSWC PC.

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## SECTION F DELIVERIES OR PERFORMANCE

### CLIN - DELIVERIES OR PERFORMANCE

The period of performance for CLINS 1000 and 3000 shall be from the date of award through 30 November 2006.

SECTION G CONTRACT ADMINISTRATION DATA

Accounting Data

SLINID	PR Number	Amount
100001	60125799	[REDACTED]
LLA :		
AA 97X4930.NH1E 000 77777 0 000178 2F 000000 31A9Q0672400		
300001	53481801	[REDACTED]
LLA :		
AB 97X4930.NH1E 000 77777 0 000178 2F 000000 31AGE0611020		
MOD 1		
100002	61026211	[REDACTED]
LLA :		
AC: 97X4930 NH1E 000 77777 0 000178 2F 000000 31A9Q0620002		
300002	61026189	[REDACTED]
LLA :		
AD: 97X4930 NH1E 000 77777 0 000178 2F 000000 31A9Q0672400		
MOD 2		
100003	61565526	[REDACTED]
LLA :		
AE 97X4930 NH1E 000 77777 0 000178 2F 000000 31A9Q0672800		
100004	61565530	[REDACTED]
LLA :		
AF 97X4930 NH1E 000 77777 0 000178 2F 000000 31A1R0601101		
300003	61565525	[REDACTED]
LLA :		
AG 97X4930 NH1E 000 77777 0 000178 2F 000000 31AGE0615020		
MOD 3		
100005	61732690	[REDACTED]
LLA :		
AE 97X4930 NH1E 000 77777 0 000178 2F 000000 31A9Q0672800		
100006	62284272	[REDACTED]
LLA :		
AH 97X4930 NH1E 000 77777 0 000178 2F 000000 31A1R0601201		
300004	61732691	[REDACTED]
LLA :		
AD 97X4930.NH1E 000 77777 0 000178 2F 000000 31A9Q0672400		
MOD 4		
100007	62621604	[REDACTED]
LLA :		
AG 97X4930 NH1E 000 77777 0 000178 2F 000000 31AGE0615020		
100008	62705676	[REDACTED]
LLA :		
AJ 97X4930 NH1E 000 77777 0 000178 2F 000000 31A9Q0672300		
MOD 5		
100009	63118023	[REDACTED]
LLA :		
AK 97X4930 NH1E 000 77777 0 000178 2F 000000 31A9Q0761402		
100010	63252694	[REDACTED]
LLA :		
AM 97X4930 NH1E 000 77777 0 000178 2F 000000 31A1R0701112		
300005	63118030	[REDACTED]
LLA :		
AK 97X4930 NH1E 000 77777 0 000178 2F 000000 31A9Q0761402		
300006	63118032	[REDACTED]
LLA :		
AL 97X4930 NH1E 000 77777 0 000178 2F 000000 31AGE0715020		
300007	63201610	[REDACTED]
LLA :		
AK 97X4930 NH1E 000 77777 0 000178 2F 000000 31A9Q0761402		
300008	63201683	[REDACTED]
LLA :		
AL 97X4930 NH1E 000 77777 0 000178 2F 000000 31AGE0715020		

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CONTRACT SPECIALIST  
Bob Kuczenski, XPS1  
110 Vernon Ave.  
Panama City, FL 32407  
robert.kuczenski@navy.mil  
850-234-4864

TPOC  
Nyal Jennings, L12  
110 Vernon Ave.  
Panama City, FL 32407  
nyal.jennings@navy.mil  
850-235-5654

#### INVOICING INSTRUCTIONS

(a) The contractor shall submit vouchers not more often than every two weeks for each individual delivery order, no more than 30 days after invoiced costs are incurred. The vouchers shall contain the following statement signed by an authorized company representative:

This is to certify that the services set forth herein were performed during the period stated.

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Contractor's Authorized Representative

---

Date of Invoice/Voucher

(b) The vouchers shall be prepared in accordance with this clause and the clauses entitled "Allowable Cost and Payment" (FAR 52.216-7) and "Fixed Fee" (FAR 52.216-8), and shall include:

- (1) Contract and delivery order number.
- (2) Costs incurred and fixed fee billed.
- (3) Direct labor hours by labor category.
- (4) Other direct costs to be specified and substantiated.

(c) The contractor shall forward the original plus two copies of each voucher to the cognizant DCAA office and one copy to the Technical Point of Contact (TPOC). DCAA will review and approve the vouchers for payment and forward them to the Contracting Officer (CSS Code XPS2). (The contractor shall make necessary provisions for DCAA to forward the vouchers to the Contracting Officer, such as a pre-addressed stamped envelope). The Contracting Officer will then approve the vouchers and forward them to the cognizant paying office for payment.

(d) If the contractor has explicit authorization from DCAA for direct submission of public vouchers, the original plus two copies may be forwarded directly to the Contract Specialist instead of DCAA. Depending on DCAA requirements, the first and final vouchers for each delivery order may still need to be approved by DCAA before being forwarded to the Contracting Officer. If required, the contractor shall forward the original and two copies of the first and final vouchers to the cognizant DCAA office instead of the Contracting Officer, and make provisions for DCAA to forward the approved vouchers to the Contracting Officer.

(d) The Contract Specialist will certify all approved vouchers and forward them to the cognizant paying office for payment.

(e) The TPOC will review his copy of the voucher and notify the Contracting Officer of any deficiencies. The Contracting Officer will be responsible for taking an appropriate offset on a subsequent voucher and notifying the contractor in writing of the action taken. The contractor shall be required to resolve the billing discrepancy with the Contracting Officer and resubmit a separate voucher covering any disputed portion.

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## SECTION H SPECIAL CONTRACT REQUIREMENTS

Clause HQ C-2-0037 titled "Organizational Conflict of Interest" (NAVSEA)(JUL 2000) found in the basic MAC Document is invoked for this Task Order.

Clause HQ C-2-0002 titled "Access to Proprietary Data or Computer Software (NAVSEA)(JUN 1994) found in the basic MAC Document is applicable to work on this Task Order.

NAVSEA 5252.216-9122 -- LEVEL OF EFFORT (DEC 2000)

(a) The Contractor agrees to provide the total level of effort specified in the next sentence in performance of the work described in Sections B and C of this contract. The total level of effort for the performance of this contract shall be [REDACTED] total man-hours of direct labor, including subcontractor direct labor for those subcontractors specifically identified in the Contractor's proposal as having hours included in the proposed level of effort.

(b) Of the total man-hours of direct labor set forth above, it is estimated that (Offeror to fill-in) \_\_\_\_\_ man-hours are uncompensated effort. Uncompensated effort is defined as hours provided by personnel in excess of 40 hours per week without additional compensation for such excess work. All other effort is defined as compensated effort. If no effort is indicated in the first sentence of this paragraph, uncompensated effort performed by the Contractor shall not be counted in fulfillment of the level of effort obligations under this contract.

(c) Effort performed in fulfilling the total level of effort obligations specified above shall only include effort performed in direct support of this contract and shall not include time and effort expended on such things as (local travel to and from an employee's usual work location), uncompensated effort while on travel status, truncated lunch periods, work (actual or inferred) at an employee's residence or other non-work locations (except as provided in paragraph (j) below), or other time and effort which does not have a specific and direct contribution to the tasks described in Sections B and C.

(d) The level of effort for this contract shall be expended at an average rate of approximately [REDACTED] hours per week. It is understood and agreed that the rate of man-hours per month may fluctuate in pursuit of the technical objective, provided such fluctuation does not result in the use of the total man-hours of effort prior to the expiration of the term hereof, except as provided in the following paragraph.

(e) If, during the term hereof, the Contractor finds it necessary to accelerate the expenditure of direct labor to such an extent that the total man-hours of effort specified above would be used prior to the expiration of the term, the Contractor shall notify the Contracting Officer in writing setting forth the acceleration required, the probable benefits which would result, and an offer to undertake the acceleration at no increase in the estimated cost or fee together with an offer, setting forth a proposed level of effort, cost breakdown, and proposed fee, for continuation of the work until expiration of the term hereof. The offer shall provide that the work proposed will be subject to the terms and conditions of this contract and any additions or changes required by then current law, regulations, or directives, and that the offer, with a written notice of acceptance by the Contracting Officer, shall constitute a binding contract. The Contractor shall not accelerate any effort until receipt of such written approval by the Contracting Officer. Any agreement to accelerate will be formalized by contract modification.

(f) The Contracting Officer may, by written order, direct the Contractor to accelerate the expenditure of direct labor such that the total man-hours of effort specified in paragraph (a) above would be used prior to the expiration of the term. This order shall specify the acceleration required and the resulting revised term. The Contractor shall acknowledge this order within five days of receipt.

(g) If the total level of effort specified in paragraph (a) above is not provided by the Contractor during the period of this contract, the Contracting Officer, at its sole discretion, shall either (i) reduce the fee of this contract as follows:

$$\text{Fee Reduction} = \frac{\text{Fee (Required LOE - Expended LOE)}}{\text{Required LOE}}$$

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or (ii) subject to the provisions of the clause of this contract entitled "LIMITATION OF COST" (FAR 52.232-20) or "LIMITATION OF COST (FACILITIES)" (FAR 52.232-21), as applicable, require the Contractor to continue to perform the work until the total number of man-hours of direct labor specified in paragraph (a) above shall have been expended, at no increase in the fee of this contract.

(h) The Contractor shall provide and maintain an accounting system, acceptable to the Administrative Contracting Officer and the Defense Contract Audit Agency (DCAA), which collects costs incurred and effort (compensated and uncompensated, if any) provided in fulfillment of the level of effort obligations of this contract. The Contractor shall indicate on each invoice the total level of effort claimed during the period covered by the invoice, separately identifying compensated effort and uncompensated effort, if any.

(i) Within 45 days after completion of the work under each separately identified period of performance hereunder, the Contractor shall submit the following information in writing to the Contracting Officer with copies to the cognizant Contract Administration Office and to the DCAA office to which vouchers are submitted: (1) the total number of man-hours of direct labor expended during the applicable period; (2) a breakdown of this total showing the number of man-hours expended in each direct labor classification and associated direct and indirect costs; (3) a breakdown of other costs incurred; and (4) the Contractor's estimate of the total allowable cost incurred under the contract for the period. Within 45 days after completion of the work under the contract, the Contractor shall submit, in addition, in the case of a cost underrun; (5) the amount by which the estimated cost of this contract may be reduced to recover excess funds and, in the case of an underrun in hours specified as the total level of effort; and (6) a calculation of the appropriate fee reduction in accordance with this clause. All submissions shall include subcontractor information.

(j) Unless the Contracting Officer determines that alternative worksite arrangements are detrimental to contract performance, the Contractor may perform up to 10% of the hours at an alternative worksite, provided the Contractor has a company-approved alternative work plan. The primary worksite is the traditional "main office" worksite. An alternative worksite means an employee's residence or a telecommuting center. A telecommuting center is a geographically convenient office setting as an alternative to an employee's main office. The Government reserves the right to review the Contractor's alternative worksite plan. In the event performance becomes unacceptable, the Contractor will be prohibited from counting the hours performed at the alternative worksite in fulfilling the total level of effort obligations of the contract. Regardless of work location, all contract terms and conditions, including security requirements and labor laws, remain in effect. The Government shall not incur any additional cost nor provide additional equipment for contract performance as a result of the Contractor's election to implement an alternative worksite plan.

(k) Notwithstanding any of the provisions in the above paragraphs, the Contractor may furnish man-hours up to five percent in excess of the total man-hours specified in paragraph (a) above, provided that the additional effort is furnished within the term hereof, and provided further that no increase in the estimated cost or fee is required.

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## SECTION I CONTRACT CLAUSES

Applicable Section I clauses are contained in the basic MAC document.

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## SECTION J LIST OF ATTACHMENTS

CDRL

Disclosure Statement

DD 254