

DELIVERY ORDER

FINAL

1. CONTRACT NO. N00178-04-D-4087	2. DELIVERY ORDER NO. HR0113	3. EFFECTIVE DATE ORIG 09/01/2005 MOD 05/05/2008	4. PURCHASE REQUEST NO. N61331-08-MR-65456
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5. ISSUED BY NSWC, PANAMA CITY 110 Vernon Avenue Panama City FL 32407-7001 annette.desercey@navy.mil 850-235-5483	CODE N61331	6. ADMINISTERED BY DCMA SAN DIEGO 7675 DAGGET STREET, SUITE 200 SAN DIEGO CA 92111-2241	CODE S0514A
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7. CONTRACTOR MTC Services Corporation 344 F Street, Suite 202 Chula Vista CA 91910-0264	CODE 1B1K6	FACILITY	8. DELIVERY DATE See Section F
			9. CLOSING DATE/TIME (hours local time – Block 5 issuing office)
			SET ASIDE TYPE
			10. MAIL INVOICES TO See Section G

11. SHIP TO See Section D	12. PAYMENT WILL BE MADE BY DFAS Columbus Center, West Entitlement P.O. Box 182381 Columbus OH 43218-2381	CODE HQ0339
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13. TYPE OF ORDER	D	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.

MTC Services Corporation	David B. Camarata
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: Connie Bible	05/05/2008 CONTRACTING/ORDERING OFFICER	22. TOTAL \$2,423,966.00
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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		

CONTRACT NO. N00178-04-D-4087	DELIVERY ORDER NO. HR0113	PAGE 2 of 6
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GENERAL INFORMATION

MODIFICATION 13

AUTHORITY: FAR 52.249-6 TERMINATION (COST-REIMBURSEMENT) AND FAR 52.232-22 LIMITATION OF FUNDS

REF: (a) NSWC PCD ltr dated 12 Feb 08

A. The purpose of this modification is to terminate this task order in accordance with reference (a) whereby the Contractor was notified that he was not to incur costs over what was currently funded within the Limitation of Funds clause provided in modification N00178-04-D-4087-HR01-12 dated 15 November 2007. The Contractor shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under FAR 52.249-6, FAR 52.232-22 and reference (a):

- (1) Stop work as specified in the notice.
- (2) Place no further subcontracts or orders (referred to as subcontracts in this clause), except as necessary to complete the continued portion of the contract.
- (3) Terminate all subcontracts to the extent they relate to the work terminated.
- (4) Assign to the Government, as directed by the Contracting Officer, all right, title, and interest of the Contractor under the subcontracts terminated, in which case the Government shall have the right to settle or to pay any termination settlement proposal arising out of those terminations.
- (5) With approval or ratification to the extent required by the Contracting Officer, settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts, the cost of which would be reimbursable in whole or in part, under this contract; approval or ratification will be final for purposes of this clause.
- (6) Transfer title (if not already transferred) and, as directed by the Contracting Officer, deliver to the Government --
 - (i) The fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced or acquired for the work terminated;
 - (ii) The completed or partially completed plans, drawings, information, and other property that, if the contract had been completed, would be required to be furnished to the Government; and
 - (iii) The jigs, dies, fixtures, and other special tools and tooling acquired or manufactured for this contract, the cost of which the Contractor has been or will be reimbursed under this contract.
- (7) Complete performance of the work not terminated.
- (8) Take any action that may be necessary, or that the Contracting Officer may direct, for the protection and preservation of the property related to this contract that is in the possession of the Contractor and in which the Government has or may acquire an interest.
- (9) Use its best efforts to sell, as directed or authorized by the Contracting Officer, any property of the types referred to in subparagraph (c)(6) of this clause; provided, however, that the Contractor
 - (i) is not required to extend credit to any purchaser and

CONTRACT NO. N00178-04-D-4087	DELIVERY ORDER NO. HR0113	PAGE 3 of 6
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(ii) may acquire the property under the conditions prescribed by, and at prices approved by, the Contracting Officer.

The proceeds of any transfer or disposition will be applied to reduce any payments to be made by the Government under this contract, credited to the price or cost of the work, or paid in any other manner directed by the Contracting Officer.

(d) The Contractor shall submit complete termination inventory schedules no later than 120 days from the effective date of termination, unless extended in writing by the Contracting Officer upon written request of the Contractor within this 120-day period.

(e) After expiration of the plant clearance period as defined in Subpart 49.001 of the Federal Acquisition Regulation, the Contractor may submit to the Contracting Officer a list, certified as to quantity and quality, of termination inventory not previously disposed of, excluding items authorized for disposition by the Contracting Officer. The Contractor may request the Government to remove those items or enter into an agreement for their storage. Within 15 days, the Government will accept the items and remove them or enter into a storage agreement. The Contracting Officer may verify the list upon removal of the items, or if stored, within 45 days from submission of the list, and shall correct the list, as necessary, before final settlement.

(f) After termination, the Contractor shall submit a final termination settlement proposal to the Contracting Officer in the form and with the certification prescribed by the Contracting Officer. The Contractor shall submit the proposal promptly, but no later than 1 year from the effective date of termination, unless extended in writing by the Contracting Officer upon written request of the Contractor within this 1-year period. However, if the Contracting Officer determines that the facts justify it, a termination settlement proposal may be received and acted on after 1 year or any extension. If the Contractor fails to submit the proposal within the time allowed, the Contracting Officer may determine, on the basis of information available, the amount, if any, due the Contractor because of the termination and shall pay the amount determined.

(g) Subject to paragraph (f) of this clause, the Contractor and the Contracting Officer may agree on the whole or any part of the amount to be paid (including an allowance for fee) because of the termination. The contract shall be amended, and the Contractor paid the agreed amount.

(h) If the Contractor and the Contracting Officer fail to agree in whole or in part on the amount of costs and/or fee to be paid because of the termination of work, the Contracting Officer shall determine, on the basis of information available, the amount, if any, due the Contractor, and shall pay that amount, which shall include the following:

(1) All costs reimbursable under this contract, not previously paid, for the performance of this contract before the effective date of the termination, and those costs that may continue for a reasonable time with the approval of or as directed by the Contracting Officer; however, the Contractor shall discontinue those costs as rapidly as practicable.

(2) The cost of settling and paying termination settlement proposals under terminated subcontracts that are properly chargeable to the terminated portion of the contract if not included in subparagraph (h)(1) of this clause.

(3) The reasonable costs of settlement of the work terminated, including --

(i) Accounting, legal, clerical, and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data;

(ii) The termination and settlement of subcontracts (excluding the amounts of such settlements); and

(iii) Storage, transportation, and other costs incurred, reasonably necessary for the preservation, protection, or disposition of the termination inventory. If the termination is for default, no amounts for the preparation of the Contractor's termination settlement proposal may be included.

CONTRACT NO. N00178-04-D-4087	DELIVERY ORDER NO. HR0113	PAGE 4 of 6
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(4) A portion of the fee payable under the contract, determined as follows:

(i) If the contract is terminated for the convenience of the Government, the settlement shall include a percentage of the fee equal to the percentage of completion of work contemplated under the contract, but excluding subcontract effort included in subcontractors' termination proposals, less previous payments for fee.

(ii) If the contract is terminated for default, the total fee payable shall be such proportionate part of the fee as the total number of articles (or amount of services) delivered to and accepted by the Government is to the total number of articles (or amount of services) of a like kind required by the contract.

(5) If the settlement includes only fee, it will be determined under subparagraph (h)(4) of this clause.

(i) The cost principles and procedures in Part 31 of the Federal Acquisition Regulation, in effect on the date of this contract, shall govern all costs claimed, agreed to, or determined under this clause.

(j) The Contractor shall have the right of appeal, under the Disputes clause, from any determination made by the Contracting Officer under paragraph (f), (h), or (l) of this clause, except that if the Contractor failed to submit the termination settlement proposal within the time provided in paragraph (f) and failed to request a time extension, there is no right of appeal. If the Contracting Officer has made a determination of the amount due under paragraph (f), (h) or (l) of this clause, the Government shall pay the Contractor --

(1) The amount determined by the Contracting Officer if there is no right of appeal or if no timely appeal has been taken; or

(2) The amount finally determined on an appeal.

(k) In arriving at the amount due the Contractor under this clause, there shall be deducted --

(1) All unliquidated advance or other payments to the Contractor, under the terminated portion of this contract;

(2) Any claim which the Government has against the Contractor under this contract; and

(3) The agreed price for, or the proceeds of sale of materials, supplies, or other things acquired by the Contractor or sold under this clause and not recovered by or credited to the Government.

(l) The Contractor and Contracting Officer must agree to any equitable adjustment in fee for the continued portion of the contract when there is a partial termination. The Contracting Officer shall amend the contract to reflect the agreement.

(m)

(1) The Government may, under the terms and conditions it prescribes, make partial payments and payments against costs incurred by the Contractor for the terminated portion of the contract, if the Contracting Officer believes the total of these payments will not exceed the amount to which the Contractor will be entitled.

(2) If the total payments exceed the amount finally determined to be due, the Contractor shall repay the excess to the Government upon demand, together with interest computed at the rate established by the Secretary of the Treasury under 50 U.S.C. App. 1215(b)(2). Interest shall be computed for the period from the date the excess payment is received by the Contractor to the date the excess is repaid. Interest shall not be charged on any excess payment due to a reduction in the Contractor's termination settlement proposal because of retention or other disposition of termination inventory until 10 days after the date of the retention or disposition, or a later date determined by the Contracting Officer because of the circumstances.

CONTRACT NO. N00178-04-D-4087	DELIVERY ORDER NO. HR0113	PAGE 5 of 6
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(n) The provisions of this clause relating to fee are inapplicable if this contract does not include a fee.

(End of Clause)

Alternate I (Sep 1996). If the contract is for construction, substitute the following subparagraph (h)(4) for subparagraph (h)(4) of the basic clause:

(4) A portion of the fee payable under the contract determined as follows:

(i) If the contract is terminated for the convenience of the Government, the settlement shall include a percentage of the fee equal to the percentage of completion of work contemplated under the contract, but excluding subcontract effort included in subcontractors' termination settlement proposals, less previous payments for fee.

(ii) If the contract is terminated for default, the total fee payable shall be such proportionate part of the fee as the actual work in place is to the total work in place required by the contract.

Alternate II (Sep 1996). If the contract is with an agency of the U.S. Government or with State, local, or foreign governments or their agencies, and if the contracting officer determines that the requirement to pay interest on excess partial payments is inappropriate, delete subparagraph (m)(2) from the basic clause.

Alternate III (Sep 1996). If the contract is for construction with an agency of the U.S. Government or with State, local, or foreign governments or their agencies, the following subparagraph (h)(4) shall be substituted for subparagraph (h)(4) of the basic clause. Subparagraph (m)(2) may be deleted from the basic clause if the contracting officer determines that the requirement to pay interest on excess partial payments is inappropriate.

(4) A portion of the fee payable under the contract determined as follows:

(i) If the contract is terminated for the convenience of the Government, the settlement shall include a percentage of the fee equal to the percentage of completion of work contemplated under the contract, but excluding subcontract effort included in subcontractors' termination settlement proposals, less previous payments for fee.

(ii) If the contract is terminated for default, the total fee payable shall be such proportionate part of the fee as the actual work in place is to the total work in place required by the contract.

Alternate IV (Sep 1996). If the contract is a time-and-material or labor-hour contract, substitute the following paragraphs (h) and (l) for paragraphs (h) and (l) of the basic clause:

(h) If the Contractor and the Contracting Officer fail to agree in whole or in part on the amount to be paid because of the termination of work, the Contracting Officer shall determine, on the basis of information available, the amount, if any, due the Contractor and shall pay the amount determined as follows:

(1) If the termination is for the convenience of the Government, include --

(i) An amount for direct labor hours (as defined in the Schedule of the contract) determined by multiplying the number of direct labor hours expended before the effective date of termination by the hourly rate(s) in the Schedule, less any hourly rate payments already made to the Contractor;

(ii) An amount (computed under the provisions for payment of materials) for material expenses incurred before the effective date of termination, not previously paid to the Contractor;

(iii) An amount for labor and material expenses computed as if the expenses were incurred before the effective date of termination, if they are reasonably incurred after the effective date, with the approval of or as directed by the Contracting Officer; however, the Contractor shall

CONTRACT NO. N00178-04-D-4087	DELIVERY ORDER NO. HR0113	PAGE 6 of 6
----------------------------------	------------------------------	----------------

discontinue these expenses as rapidly as practicable;

(iv) If not included in subdivision (h)(1)(i), (ii), or (iii) of this clause, the cost of settling and paying termination settlement proposals under terminated subcontracts that are properly chargeable to the terminated portion of the contract; and

(v) The reasonable costs of settlement of the work terminated, including --

(A) Accounting, legal, clerical, and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data;

(B) The termination and settlement of subcontracts (excluding the amounts of such settlements); and

(C) Storage, transportation, and other costs incurred, reasonably necessary for the protection or disposition of the termination inventory.

(2) If the termination is for default of the Contractor, include the amounts computed under subparagraph (h)(1) of this clause but omit --

(i) Any amount for preparation of the Contractor's termination settlement proposal; and

(ii) The portion of the hourly rate allocable to profit for any direct labor hours expended in furnishing materials and services not delivered to and accepted by the Government.

B. Change the Administrative office from N00178 (Dahlgren) to DCMA S0514A (San Diego) and change the paying office from N68892 (Charleston) to DFAS HQ0339 (Columbus).

A conformed copy of this Task Order is attached to this modification for information purposes only.

The total value of the task order remains unchanged. The total amount of funds obligated to the task is hereby increased by \$0.00 from \$2515952.00 to \$2515952.00.

CONTRACT NO. N00178-04-D-4087	DELIVERY ORDER NO. HR0113	PAGE 1 of 14
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SECTION B SUPPLIES OR SERVICES AND PRICES

CLIN - SUPPLIES OR SERVICES

For Cost Type Items:

Item	Supplies/Services Qty	Unit	Est. Cost	Fixed Fee	CPFF
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1000	Non personal service and materials necessary to				\$1,193,014.00
1000AA	Non personal sevices and materials necessary to provide engineering and technical support for the LCS mission package certification agent. In accordance with the Statement of Work. (OTHER)	11800.0 LH	\$1,113,734.00	\$79,280.00	\$1,193,014.00
1000AB	Information SubCLIN to add \$70,000 in incremental funding ofr CLIN 0001. (O&MN,R)	1.0 Lot	\$0.00	\$0.00	\$0.00
1000AC	Information SubCLIN to add \$95,000 in incremental funding for CLIN 0001. (WCF)	1.0 Lot	\$0.00	\$0.00	\$0.00
1000AD	Information SubCLIN to add \$200,000 in incremental funding for CLIN 0001. (WCF)	1.0 Lot	\$0.00	\$0.00	\$0.00
1000AE	Information SubCLIN to add \$300,000 of incremental funding. (WCF)	1.0 Lot	\$0.00	\$0.00	\$0.00
1000AF	Information SubClin to add \$215,000 of incremental funding for CLIN 0001. (WCF)	1.0 Lot	\$0.00	\$0.00	\$0.00
1000AG	Information	1.0 Lot	\$0.00	\$0.00	\$0.00

CONTRACT NO. N00178-04-D-4087	DELIVERY ORDER NO. HR0113	PAGE 2 of 14
----------------------------------	------------------------------	-----------------

SubClin to add
\$150,000 of
incremental
funding for CLIN
0001. (WCF)

1001	Option year 1				\$1,230,952.00
1001AA	Non personal sevice and materials necessary to provide engineering and technical support for the LCS mission package certification agent. Option year 1. In accordance with the Statement of Work. (OTHER)	11800.0 LH	\$1,149,131.00	\$81,821.00	\$1,230,952.00
1001AB	Information SubCLIN to add \$150,000 in incremental funding for CLIN 1001. (WCF)	1.0 Lot	\$0.00	\$0.00	\$0.00
1001AC	Information SubCLIN to add \$193,105 in incremental funding for CLIN 1001. (WCF)	1.0 Lot	\$0.00	\$0.00	\$0.00
1001AD	Information SubCLIN to add \$500,000 in incremental funding. (WCF)	1.0 Lot	\$0.00	\$0.00	\$0.00
1001AE	Information SubClin to add incremental funding of \$387,847. (WCF)	1.0 Lot	\$0.00	\$0.00	\$0.00
1002	Option year 2.				\$1,268,307.00
1002AA	Non personal sevice and materials necessary to provide engineering and technical support for the LCS mission package certification agent. Option year 2. In accordance with	11800.0 LH	\$1,183,993.00	\$84,314.00	\$1,268,307.00

CONTRACT NO. N00178-04-D-4087	DELIVERY ORDER NO. HR0113	PAGE 3 of 14
----------------------------------	------------------------------	-----------------

the Statement of
Work. (OTHER)
Option

1002AB	Information SubClin to add incremental funding of \$180,000 and to exercise the option for Fiscal Year 2008. (WCF)	1.0 Lot	\$0.00	\$0.00	\$0.00
1002AC	Info SubClin to add incremental funding of \$75,000. (WCF)	1.0 Lot	\$0.00	\$0.00	\$0.00
1003	Option year 3.				\$1,307,828.00
1003AA	Non personal sevices and materials necessary to provide engineering and technical support for the LCS mission package certification agent. Option year 3. In accordance with the Statement of Work. (OTHER) Option	11800.0 LH	\$1,220,869.00	\$86,959.00	\$1,307,828.00
1004	Option year 4.				\$1,344,585.00
1004AA	Non personal sevices and materials necessary to provide engineering and technical support for the LCS mission package certification agent. Option year 4. In accordance with the Statement of Work. (OTHER) Option	11800.0 LH	\$1,255,189.00	\$89,396.00	\$1,344,585.00

For ODC Items:

Item	Supplies/Services Qty	Unit Est. Cost
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3001		\$0.00

CONTRACT NO. N00178-04-D-4087	DELIVERY ORDER NO. HR0113	PAGE 4 of 14
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EXERCISE OF OPTIONS

The Award Term provisions in Section H of the contract apply to option items 1001, 1002, 1003 and 1004. If elected, award term options will be exercised prior to the end of then current contract year. For example, the option for year 2 will be exercised prior to the end of the Base Year, the option for Year 3 will be exercised prior to the end of Year 2, and so on. Exercise of options for performance beyond the expiration of the basic contract on 4 April 2009 is contingent on the basic contract being extended by the PCO.

CONTRACT NO. N00178-04-D-4087	DELIVERY ORDER NO. HR0113	PAGE 5 of 14
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SECTION C DESCRIPTIONS AND SPECIFICATIONS

See Attached Statement of Work

CONTRACT NO. N00178-04-D-4087	DELIVERY ORDER NO. HR0113	PAGE 6 of 14
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SECTION D PACKAGING AND MARKING

Packaging and Markings shall be to best commercial practices.

SHIP TO:

All deliverable items shall be shipped to:

Naval Support Activity Panama City

Attn: Receiving Officer

101 Vernon Avenue

Panama City, FL 32407

FOB: Destination

CONTRACT NO. N00178-04-D-4087	DELIVERY ORDER NO. HR0113	PAGE 7 of 14
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SECTION E INSPECTION AND ACCEPTANCE

Inspection and acceptance shall be performed at Destination NSWC Panama City.

CONTRACT NO. N00178-04-D-4087	DELIVERY ORDER NO. HR0113	PAGE 8 of 14
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SECTION F DELIVERABLES OR PERFORMANCE

CLIN - DELIVERIES OR PERFORMANCE

The Performance of Award of task order until one (1) years after issuance.

In addition to the terms and conditions set forth elsewhere in this order, the contractor may earn an award term incentive consisting of an extension to the order period from the minimum one (1) year to a maximum of five (5) years on the basis of performance (not to exceed the April 2009 expiration of the MAC).

CONTRACT NO. N00178-04-D-4087	DELIVERY ORDER NO. HR0113	PAGE 9 of 14
----------------------------------	------------------------------	-----------------

SECTION G CONTRACT ADMINISTRATION DATA

CONTRACT SPECIALIST / MAIL INVOICES TO:
Annette de Sercey
Naval Surface Warfare Center Panama City
110 Vernon Avenue
Panama City, FL 32407
annette.desercey@navy.mil
850-235-5483

TASK ORDER MANAGER:
Richard Adams
Naval Surface Warfare Center Panama City
110 Vernon Avenue
Panama City, FL 32407
Richard.Adams@navy.mil
850-23

Accounting Data
SLINID PR Number Amount

1000 51383754 70000.00
LLA :
AA: 97X4930 NH1E 000 77777 0 000178 2F 000000 36A02A05LCSC

MOD 1

1000AB 51383754 70000.00
LLA :
AA: 97X4930 NH1E 000 77777 0 000178 2F 000000 36A02A05LCSC

1000AC 52572821 95000.00
LLA :
AA: 97X4930 NH1E 000 77777 0 000178 2F 000000 36A02A05LCSC

MOD 2

1000AD 53398322 200000.00
LLA :
AD AB: 97X4930 NH1E 000 77777 0 000178 2F 00000 34HA3XE6SPCT

MOD 3

1000AE 60520442 300000.00
LLA :
AC: 97X4930 NH1E 000 77777 0 000178 2F 000000 34HA3XE6CERT

MOD 4

1000AF 61141764 215000.00
LLA :
AC: 97X4930 NH1E 000 77777 0 000178 2F 000000 34HA3XE6CERT

MOD 5

CONTRACT NO. N00178-04-D-4087	DELIVERY ORDER NO. HR0113	PAGE 10 of 14
----------------------------------	------------------------------	------------------

1000AG 61794456 150000.00
 LLA :
 AB: 97X4930 NH1E 000 77777 0 000178 2F 000000 34HA3XE6SPCT

MOD 6

1001AB 62211632 150000.00
 LLA :
 AC: 97X4930 NH1E 000 77777 0 000178 2F 000000 34HA3XE6CERT

MOD 7

1001AC 62632498 193105.00
 LLA :
 AC: 97X4930 NH1E 000 77777 0 000178 2F 000000 34HA3XE6CERT

MOD 8

1001AD 63201444 500000.00
 LLA :
 AC: 97X4930 NH1E 000 77777 0 000178 2F 000000 34HA3XE6CERT

MOD 10

1001AE 70455290 387847.00
 LLA :
 AC: 97X4930 NH1E 000 77777 0 000178 2F 000000 34HA3XE6CERT

MOD 11

1002AB 72131709 180000.00
 LLA :
 AC 97X4930 NH1E 000 77777 0 000178 2F 000000 34HA3XE6CERT

MOD 12

1002AC 73041110 75000.00
 LLA :
 AC 97X4930 NH1E 000 77777 0 000178 2F 000000 34HA3XE6CERT

CONTRACT NO. N00178-04-D-4087	DELIVERY ORDER NO. HR0113	PAGE 11 of 14
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SECTION H SPECIAL CONTRACT REQUIREMENTS

AWARD TERM

In addition to the terms and conditions set forth elsewhere in this order, the contractor may earn an award term incentive consisting of an extension to the order period from the minimum one (1) year to a maximum of five (5) years on the basis of performance (not to exceed the April 2009 expiration of the MAC). For each year of the order, contractor performance is evaluated and ratings are assigned based on how well the contractor has performed. If ratings are positive for Year 1, the contractor earns Year 2; if ratings are positive for Year 2, the contractor earns Year 3, and so on up to the maximum of five (5) years. But if ratings are negative for any year, then the order is ended. The evaluation criteria and the award term procedures are described in the "Award Term Plan".

AWARD TERM PLAN

The Government will assess the quality of the Contractors performance as follows:

a. Evaluation Criteria. The evaluation criteria are as follows:

- Quality of product or service
- Schedule
- Cost control / achieving guaranteed savings
- Business Relations
- Management of Key Personnel

b. Ratings. The adjective ratings used are "unsatisfactory", "marginal", "satisfactory", "very good" and "exceptional". The contractor must receive a rating of satisfactory or better on each of the above evaluation criteria in order to earn the award-term incentive. A rating of less than satisfactory on any of the above criteria will result in the incentive not being earned.

c. Evaluation Period. Each year of the order shall be equivalent to one (1) evaluation period. Interim evaluations will also be conducted as described below.

d. Personnel. The Government evaluation team shall consist of an Assessing Official, performance monitors, and a Reviewing Official.

(1) Assessing Official. The Assessing Official considers all information from performance monitors and other pertinent sources and prepares written reports evaluating the contractor's performance.

(2) Performance Monitors. Performance monitors monitor the contractor's performance at the task order level and provide input to the Assessing Official to be used in preparing performance reports. Monitors may provide written and verbal input as directed by the Assessing Official.

(3) Reviewing Official. The Reviewing Official is responsible for reconciling any disagreements between the Assessing Official and the contractor, and for finalizing ratings and closing reports whenever such disagreements exist.

e. Interim Evaluations. An interim evaluation shall be conducted at the midpoint (i.e., six months) of each evaluation period. No later than 15 calendar days after the midpoint of the evaluation period, the Assessing Official shall notify the Contracting Officer of the contractor's current strengths and weaknesses on the basis of inputs from the

CONTRACT NO. N00178-04-D-4087	DELIVERY ORDER NO. HR0113	PAGE 12 of 14
----------------------------------	------------------------------	------------------

performance monitors and other pertinent sources. The Contracting Officer will then issue a letter to the contractor describing the strengths and weaknesses identified by the Assessing Official. The Contracting Officer may also issue letters at any time when it is deemed necessary to highlight areas of Government concern.

f. End-of-Period Evaluations. No later than 15 calendar days prior to the end of the evaluation period, the Assessing Official shall initiate a report covering the entire evaluation period and submit that report to the contractor for review and comment. The contractor shall review the report and provide comments to the Assessing Official within 10 calendar days. If the contractor concurs with the ratings in the report, then the Assessing Official will finalize the ratings and close the report. If the contractor does NOT concur with ratings, then the Assessing Official will forward the report to the Reviewing Official. The Reviewing Official will then reconcile any disagreements between the Assessing Official and the contractor, finalize the ratings, and close the report. All reports must be closed no later than the final day of the evaluation period. Once the report is closed, the ratings are not subject to dispute by either party.

g. Award-Term Incentive Determination. As stated above, the contractor must receive a rating of satisfactory or better on each of the evaluation criteria in order to earn the award-term incentive. The Contracting Officer will review the closed report to determine if the award term incentive has been earned. If the incentive has been earned, then the Contracting Office will issue a modification to exercise the option for the next year of the order. If the incentive has not been earned, then the option for the next year will not be exercised and the order will be ended.

h. Changes to the Award-Term Plan. This Award-Term Plan is a part of the order and can only be changed by a bi-lateral modification to the order. Either party may propose a change to the Award-Term Plan at any time. However, if either party desires a change to the plan and a mutual agreement cannot be reached, then this original Award-Term Plan will remain in full effect.

CONTRACT NO. N00178-04-D-4087	DELIVERY ORDER NO. HR0113	PAGE 13 of 14
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SECTION I CONTRACT CLAUSES

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

CONTRACT NO. N00178-04-D-4087	DELIVERY ORDER NO. HR0113	PAGE 14 of 14
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SECTION J LIST OF ATTACHMENTS

CDRL

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Revised Statement of Work

Naval Warfare Systems Certification Policy