

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>		1. CONTRACT ID CODE U	PAGE OF PAGES 1   2	
2. AMENDMENT/MODIFICATION NO. 12	3. EFFECTIVE DATE 23-Feb-2009	4. REQUISITION/PURCHASE REQ. NO. N00189-09-MR-57288		5. PROJECT NO. (If applicable) N/A
6. ISSUED BY FISC Norfolk, Contracting Dept Philadelphia 700 Robbins Avenue, Bldg. 2B Philadelphia PA 19111-5083 eric.hansen@navy.mil 215-697-9687	CODE N00189	7. ADMINISTERED BY (If other than Item 6) DCMA VIRGINIA 10500 BATTLEVIEW PARKWAY, SUITE 200 MANASSAS VA 20109-2342		CODE S2404A

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State, and Zip Code) Serco, Inc. 1818 Library Street, Suite 1000 Reston VA 22190-5619	9A. AMENDMENT OF SOLICITATION NO.
	9B. DATED (SEE ITEM 11)
	10A. MODIFICATION OF CONTRACT/ORDER NO. N00178-04-D-4114-EX04
CAGE CODE 022Q2	FACILITY CODE 928859149
10B. DATED (SEE ITEM 13) 11-Dec-2006	

**11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS**

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers  is extended,  is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning one (1) copy of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

**13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.**

<input type="checkbox"/>	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
<input type="checkbox"/>	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.)SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
<input checked="" type="checkbox"/>	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: FAR 43.103(a)(3)
<input type="checkbox"/>	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor  is not,  is required to sign this document and return \_\_\_ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)  
SEE PAGE 2

15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Kenneth Bullock, Contracting Officer	
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA BY /s/Kenneth Bullock	16C. DATE SIGNED 23-Feb-2009
(Signature of person authorized to sign)		(Signature of Contracting Officer)	

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## **GENERAL INFORMATION**

In compliance with NAVSUP Policy, 90-06, and referencing the contractor's email dated 02/17/2009, the contract is hereby modified to include a Quality Assurance Surveillance Plan (QASP). All other terms and conditions remain unchanged and in full force and effect. Accordingly, said Task Order is modified as follows: A conformed copy of this Task Order is attached to this modification for information purposes only.

The total amount of funds obligated to the task is hereby increased by \$0.00 from \$6394091.04 to \$6394091.04.

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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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1001	Services in support of CARP (WCF)	1.0 Lot	\$2,211,350.08	\$108,086.10	\$2,319,436.18
100101	(WCF)				
100102	(WCF)				
100103	(WCF)				
100104	(WCF)				
100105	(WCF)				
1002	Services in support of CARP (WCF)	1.0 Lot	\$2,136,592.37	\$107,535.52	\$2,244,127.89
100201	(WCF)				
100202	(WCF)				
100203	(WCF)				
100204	(WCF)				
100205	(WCF)				
100206	(WCF)				
100207	(WCF)				
100208	(WCF)				
1003	Services in support of CARP (WCF)	1.0 Lot	\$2,209,773.71	\$111,299.40	\$2,321,073.11
100301	(WCF)				
1004	Services in support of CARP (WCF) Option	1.0 Lot	\$2,285,552.40	\$115,194.91	\$2,400,747.31
1005	Services in support of CARP (WCF) Option	1.0 Lot	\$2,363,881.27	\$119,226.99	\$2,483,108.26
1006	Services in support of CARP (WCF) Option	1.0 Lot	\$2,444,901.64	\$123,399.59	\$2,568,301.23

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For ODC Items:

Item	Supplies/Services Qty	Unit	Est. Cost
3001	ODCs in support of CLIN 1001 (WCF)	1.0 Lot	\$187,054.01
300101	(WCF)		
300102	(WCF)		
300103	(WCF)		
3002	ODCs in support of CLIN 1002 (WCF)	1.0 Lot	\$196,900.00
300201	(WCF)		
300202	(WCF)		
300203	(WCF)		
3003	ODCs in support of CLIN 1003 (WCF)	1.0 Lot	\$196,900.00
300301	(WCF)		
3004	ODCs in support of CLIN 1004 (WCF) Option	1.0 Lot	\$196,900.00
3005	ODCs in support of CLIN 1005 (WCF) Option	1.0 Lot	\$196,900.00
3006	ODCs in support of CLIN 1006 (WCF) Option	1.0 Lot	\$196,900.00

LEVEL OF EFFORT (COST TYPE CONTRACT)(JUN 1995)

(a) The estimated composition by labor category of the Annual Estimated Total Hours for the base year is as follows:

Senior Logistician N/A	2,865
Junior Logistician N/A	35,545
* Material Coordinator 21030	3,840
* Material Coordinator OT 21030	160
* Warehouse Specialist 21410	13,680
* Warehouse Specialist OT 21410	240
Subcontractor Hours	12,748
Total Hours	69,078

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The estimated composition by labor category of the Annual Estimated Total Hours for the option years is as follows:

Senior Logistician N/A	2,160
Junior Logistician N/A	34,920
* Material Coordinator 21030	3,840
* Material Coordinator OT 21030	160
* Warehouse Specialist 21410	13,680
* Warehouse Specialist OT 21410	240
Subcontractor Hours	9,840
 Total Hours	 64,840

\* NOTE: THE ABOVE MARKED LABOR CATEGORIES ARE SUBJECT TO THE SERVICE CONTRACT ACT. AREA WAGE DETERMINATION # 05-2543 (REVISION 01) APPLIES AND IS ATTACHED TO THIS SOLICITATION

AREA WAGE DETERMINATION #05-2543 (REVISION 5) APPLIES TO OPTION I AND IS ATTACHED.

AREA WAGE DETERMINATION #05-2543 (REVISION 7) APPLIES TO OPTION II AND IS ATTACHED.

(c) The Estimated Total Hours include overtime and subcontracting hours but exclude holidays, sick leave, vacation days and other absences.

(d) The number of manhours expended per month shall be commensurate with the effort ordered and the required delivery date of such effort. The number of manhours expended per month may fluctuate in pursuit of the technical objective, provided that such fluctuation does not result in the utilization of the total manhours of effort prior to the expiration of the term thereof. The number of manhours for any labor category may be utilized by the contractor for any other labor category if necessary in performance of the contract.

(e) The contractor shall not be obligated to continue performance beyond the Estimated Total Hours, except that the Contracting Officer may require the contractor to continue performance in excess of the Estimated Total Hours until the total estimated cost has been expended. The government will not be obligated to pay fee on any hours expended in excess of the Estimated Total Hours. Any hours expended in excess of the Estimated Total Hours shall be excluded from all fee computations and adjustments. The Contracting Officer may also require the contractor to continue performance in excess of the total estimated cost until the Estimated Total Hours have been expended. In no event, however, will the Contracting Officer, pursuant to this paragraph

(f), require the contractor to continue performance in excess of the Estimated Total hours if the Contracting Officer is requiring or has required the contractor to continue performance in excess of the total estimated cost. Nor will the Contracting Officer, pursuant to this paragraph (e), require the contractor to continue performance in excess of the total estimated cost if the Contracting Officer is requiring or has required the contractor to continue performance in excess of the Estimated Total Hours. The Contracting Officer may extend the period of performance in order to expend either the total estimated cost or the Estimated Total Hours.

(g) If at any time during the performance of this contract the contractor expends in excess of 85% of the available estimated manhours of direct labor, the contractor shall immediately notify the Contracting Officer in writing. Nothing herein shall be construed to alter or waive any of the rights or obligations of either party pursuant to the clause entitled "Limitation of Cost" and/or "Limitation of Funds."

#### LEVEL OF EFFORT - DELIVERY/TASK ORDER PERFORMANCE (OCT 1992)

It is understood and agreed that the number of hours and the total dollar amount for each labor category specified in any delivery/task order issued under this contract are estimates only and shall not limit the use of hours or dollar amounts in any labor category which may be required and provided for under an individual delivery/task order. Accordingly, in the performance of any delivery/task order, the contractor shall be allowed to adjust the quantity of labor hours provided for within labor categories specified in the order provided that in so performing the contractor shall not in any event exceed the ceiling price restrictions of any order, including modifications thereof.

#### PAYMENT OF FIXED FEE (INDEFINITE DELIVERY, COST PLUS FIXED FEE) (OCT 1992)

The fixed fee for work performed under this contract is \$\* provided that approximately 43,000 hours of technical effort are employed by the contractor in performance of this contract. If substantially fewer than 43,000 hours of said services are so employed, the fixed fee shall be equitably reduced to reflect the reduction of work. The Government shall make monthly payments of the fixed fee at the rate of \$ \* per direct labor hour invoiced by the contractor. All payments shall be in accordance with the provisions of FAR 52.216-8, "Fixed Fee," and FAR 52.216-7, "Allowable Cost and Payment." The total of all such payments shall not exceed eighty-five (85%) percent of the fixed fee specified under each applicable delivery/task order. Any balance of fixed fee due the contractor shall be paid to the Contractor, and any over-payment of fixed fee shall be repaid to the Government by the Contractor, or otherwise credited to the Government at the time of final payment.

\* FIXED FEE RATE PER HOUR IS AS FOLLOWS:

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BASE YEAR: \$1.92 PER HOUR

OPTION YEAR ONE: \$1.99 PER HOUR

OPTION YEAR TWO: \$2.06 PER HOUR

OPTION YEAR THREE: \$2.13 PER HOUR

OPTION YEAR FOUR: \$2.21 PER HOUR

OPTION YEAR FIVE: \$2.28 PER HOUR

FIXED FEE WILL BE PAID ON PRIME CONTRACTOR HOURS EXPENDED IN PERFORMANCE OF THIS CONTRACT. FIXED FEE WILL NOT BE PAID ON SUBCONTRACTOR HOURS EXPENDED IN PERFORMANCE OF THIS CONTRACT.

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## SECTION C DESCRIPTIONS AND SPECIFICATIONS

### STATEMENT OF WORK Consumable Asset Reutilization Program (CARP) For Naval Supply Systems Command

#### REQUIREMENTS:

The contractor's Level of Effort shall support Naval Supply Systems Command (NAVSUP) in logistics support for CARP in the areas of stock control, material receipt, warehouse management, inventory management, material handling and accountability, material issue, material shipment and transportation, material turn-in for disposal, and project management. Work products and services developed under this effort will affect the operational readiness of all afloat units, RSupply Naval Air Station (NAS) activities and Marine Corps aviation units by issuing material to afloat/ashore units and Marine Corps activities, as well as providing supply support for offloading Navy Working Capital Fund (NWCF) material from afloat/ashore activities. Work products and services developed under this effort will also afford NAVSUP the ability to capture the sales from excess material, credits for material bought back by the Defense Logistics Agency(DLA), and cost avoidance for Budget Project (BP)-28 as a result of redistribution of excess inventory.

#### SCOPE:

The contractor shall provide NAVSUP with continuing support necessary to perform supply support tasks for CARP under policy guidance of the program manager (PM) at NAVSUP. The contractor will also be responsible for providing a level of effort for technical expertise and advising NAVSUP military and federal employees and their supporting contractors in all areas of stock control management particularly related to processing of receipts of material from NWCF activities to CARP; issues of material from CARP to afloat/ashore activities and utilization of RSupply NAS; in all areas of inventory management particularly related to receipt, storage, issuance, excessing and shipment of NWCF material; in all areas of project management in support of the cognizant PMs at NAVSUP Headquarters. The contractor shall review system application and interface processes, exception listings, and source documents, as required, to enable maintenance of accurate databases and database reconciliation. This includes validation files, financial files, material files, historical data, and other files/reports as required. The contractor will provide an experienced analyst with RSupply NAS experience and a demonstrated understanding of RSupply NAS system requirements to include management of the Naval Tactical Command Support System (NTCSS) suite, daily back-ups, system maintenance and daily requirements associated with managing RSupply under NTCSS. The contractor shall provide the expertise to facilitate the transition of CARP servers and CARP associated applications from the existing legacy network into the Navy/Marine Corps Intranet (NMCI) environment and maintain the servers in accordance with (IAW) all Department of Navy (DoN) and Department of Defense (DoD) and NMCI policies and requirements.

#### TASKS and DELIVERABLES:

The Contractor is required to perform the Tasks identified herein and as may be further clarified/described in Technical Direction Letters (TDLs) issued by the COR/TOM during the life of the Task Order. The contractor shall research and review Government Furnished Information (GFI) to perform an in-depth analysis of NAVSUP requirements. The contractor will meet with representatives from NAVSUP, Type Commanders (TYCOMs), Fleet Forces Command (FFC), Defense Finance & Accounting Service (DFAS), Defense Distribution Center Norfolk (DDNV), Defense Distribution Center (DDC) and other commands as necessary:

#### Task 1 – Project Management

Task 1.1 Project Management - The contractor shall provide project management control and ensure that all government instructions and regulations are complied with. The contractor shall maintain control and distribution of the daily work, supervise work assignments, and perform quality assurance (QA) checks of

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completed work to ensure accuracy and timeliness of required transactions. Project shall be effectively managed to ensure timely and successful completion.

**Task 1.2 Project Manager** - The contractor shall provide an experienced PM to fill the position of CARP Director. The CARP Director will direct liaison with the NAVSUP PM regarding all CARP issues and will have RSupply NAS experience and detailed knowledge in all areas of Stock Control Management, Receipt Management, Warehouse Management, Issue Management, Shipping, Transportation Management and Facilities Management. Deliverable: Weekly Sitsum reports including, but not limited to, all project management areas of CARP.

**Task 2 – Warehouse Management**

**Task 2.1 Warehouse Supervisor** - The contractor shall provide an analyst with proven warehouse management skills to include functional capability with Integrated Bar Code System (IBS) and experience in supervising a high volume material receiving and issuing operation.

**Task 2.2 Physical Receipts and Issues** – CARP receives material from NWCF activities. CARP issues material to Defense Reutilization and Marketing Office (DRMO), DLA, end use customers and other NWCF activities. Ensure all receipts are processed and posted within set timeframes. Ensure issues are processed, posted, and shipped within prescribed Uniform Material Movement and Issue Priority System (UMMIPS) timeframes. Coordinate with the CARP Director, TYCOM and NAVSUP on any off line receipts. Ensure appropriate causative research is completed on receipt discrepancies in a timely manner. Deliverable: Report Volume, Dollar Value and timeliness of Issues and Receipts weekly or as required.

**Task 2.3 Receive and Stow Material** - The contractor shall properly receive, verify, and stow material into CARP on average within 4 calendar days after arrival. The receipt, verification, and stowage processes shall be conducted IAW NAVSUP P-485 and NAVSUP P-731. Material received will be separated by storeroom when locations have been previously established. 100% of bar-coded receipts shall be processed utilizing the government furnished hand held scanners per IBS procedures. The contractor can expect approximately 74,000 annual receipt actions. Deliverables: Provide report indicating average time required to receive, verify and correctly stow material; Provide notification of IBS scan mismatches.

**Task 2.4 Issue Material** - The contractor shall issue the correct material from CARP storage locations utilizing the DD1348-1A Issue Release/Receipt documents and IAW NAVSUP P-485 and NAVSUP P-731. The contractor can expect approximately 62,000 annual issue actions. Deliverable: Provide report indicating issue times for IPG 1, 2 and 3 requisitions monthly.

**Task 2.5 CPEN Referrals/Offline Referrals and Bearer Pick-Ups (walk-thru requisitions)** – CPEN allows automatic referrals to be sent to CARP. Referrals are Direct Turnover (DTO) and NWCF stock replenishment requisitions. In addition, offline referrals can be generated and provided to the CARP operation for sale/redistribution as warranted and require tracking from receipt of referral until final disposition. Lastly, because of CARP excess asset visibility, Air Forces and Fleet expediting cells can provide high-priority Bearer Pick-Ups (walk-thru requisitions) that require immediate action for processing by CARP personnel. The contractor can expect approximately 4,000 annual Bearer Pick-Up (walk-thru requisitions) actions. Deliverable: Report Volume of Referrals by NWCF (SIT) issues and DTO issues weekly or as required.

**Task 2.6 UMMIPS Reporting** – All requisitions processed by CARP for issue must be processed within the UMMIPS standards. Goal is 1 day for IPG 1, 1 day for IPG 2, and 3 days for IPG 3. Deliverable: Provide UMMIPS Report on IPG 1, 2 and 3 requisitions monthly.

**Task 2.7 Warehouse Refusals and Bouncebacks** - The contractor shall perform proper causative research on all bouncebacks and warehouse refusals and post associated corrective actions. Goal for warehouse refusals is less than 2% of total issue transactions per week. Deliverable: Report warehouse refusals with on hand quantity weekly.

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Task 2.8 Location Audit Review - The contractor will establish location audit program for CARP related inventory and ensure appropriate causative research and corrections are completed in a timely manner. Goal for location accuracy is 98%. Deliverable: Provide Location Audit Reports weekly or as required.

Task 2.9 Spot/Cyclic Inventories - The contractor shall conduct spot and cyclic inventories as required. Physical count and recount of inventory (when warranted) will be conducted and updated to RSupply to maintain inventory accuracy. Goal for inventory validity is 95%. Deliverable: Provide Spot/Cyclic inventory results monthly or as required.

Task 2.10 Excess Location Management – The contractor shall provide a plan for excess location consolidation. Excess locations are considered any NSN carried in CARP that has two or more locations. Goal is zero NSNs with four or more locations, 1% or less of all NSNs with on hand quantity with three or more locations and 10% or less of all NSNs with on hand quantity with two or more locations. Deliverable: Provide weekly report of excess location consolidation efforts.

Task 2.11 After Hours Support - The contractor shall provide after hour support for late arriving deliveries and emergency issue of material as required.

### Task 3 - Transportation, Packing and Shipping

Task 3.1 Receipt and Delivery - The contractor shall process issues from CPEN/VMISR referrals and from offline referrals that require packing of material and shipping to reach the requisitioner. NAVSUP is utilizing, but is not limited to, Naval Operational Logistics Support Center (NOLSC) as the Transportation Officer (TO) and their Smart Transportation System (STS) for outgoing shipment of material. Local shipments (within 50-mile radius of NAS Norfolk) are completed utilizing, but is not limited to, NOLSC NAVXPRESS. The contractor must be able to interface with STS, NOLSC, and NAVXPRESS to process shipments.

Task 3.2 Internal Shipping Department – The contractor shall maintain an internal shipping department within CARP for all CARP issues. The contractor shall provide a demonstrated working knowledge and use of the STS system. This would include direct internet interfacing with STS to determine mode of shipment and daily coordination of outgoing material with the various shippers. Issues of material greater than 150 lbs. will still be shipped directly from the CARP facility by commercial shippers as designated by the NOLSC TO. It may be necessary for the shipping coordinators at CARP to access DoN Transportation websites to determine updated routing instructions for afloat/ashore activities. All individual and multi-pack shipping documents will be produced locally and all shipments will be coordinated directly with the transportation carriers. All shipments shall comply with UMMIPS standards. The contractor can expect approximately 43,000 annual commercial shipping actions. Deliverables: Produce all shipping documents for all CARP issues; Maintain complete shipping logs for all CARP issues; Produce daily, weekly and monthly shipping reports for all CARP issues.

Task 3.3 Shipping & Packaging - The contractor shall replace or reconstruct material storage boxes as required to support CARP shipping and storage efforts. The contractor shall maintain tools and materials sufficient to meet CARP shipping requirements.

Task 4 - QA Program - Provide a comprehensive QA program. Monitor inventories to ensure inventory validity and file integrity IAW NAVSUP P-485 and NAVSUP P-731. Deliverable: Submit a quarterly QA plan, at the beginning of each quarter, and its execution results, at the end of each quarter, to the NAVSUP PM.

### Task 5 - Stock Control Management

Task 5.1 Technical Supply Management - The contractor shall perform various aspects of RSupply management that includes inventories, financial adjustments, material identification and material coordination. The contractor shall: Investigate all warehouse refusals and provide corrective RSupply input for inventory reconciliation; Perform inventory/supply records reconciliation for financial adjustments;

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Perform technical research to update material identification; Perform technical research to correct RSupply stock records.

Task 5.2 Stock Control Supervisor - The contractor shall provide an experienced senior analyst to perform as Stock Control Supervisor. He/she will have RSupply NAS experience and detailed knowledge in all areas of Stock Control Management to include Functional Area Supervisor duties, Stock-In-Transit (SIT) Reconciliation, Report of Discrepancy (ROD) resolution, Suspense Processing, Referral Management/processing, Inventory Management, IBS management/processing and oversight for the Fleet Imaging System (FIMS) for archiving of CARP source documents. Deliverable: Weekly reporting of actions taken for Technical Supply Management in support of Stock Control.

Task 5.3 SIT Reconciliation - The contractor shall identify and help resolve all overaged unmatched SIT transactions resulting from offloads of material to CARP where CARP is issued the material and must complete receipt or issue reversal to clear overaged unmatched in-transits. Overaged unmatched in-transits are considered SIT issues greater than 90-days old. Deliverable: Weekly reporting of efforts conducted with reviewing overaged unmatched SIT actions.

Task 5.4 RSupply System Management - Coordinate with NAVSUP and SPAWAR Systems Center, Norfolk (SSCN) to correct any RSupply problems to include system maintenance, back-up, restores, system updates and associated change management. Deliverable: Weekly reporting of all requirements associated with management of RSupply and the NTCSS suite.

Task 5.5 CARP Offload Picking Ticket Production – The contractor shall provide a demonstrated knowledge and capability to produce offload picking tickets for all offloads being forwarded to CARP for stowage. Picking tickets will be produced based on offload files provided by the issuing activity offloading to CARP. Picking tickets will include the ability of CARP stock control to add the CARP warehouse location when a location already exists. Deliverable: Production of offload Picking Tickets with CARP warehouse location as required.

Task 5.6 DRMO Candidate review – The contractor shall provide a demonstrated knowledge and capability to produce DRMO candidate recommendations for attrition of BP-28 inventory no longer recommended for retention at the CARP warehouse. Efforts will include a candidate list for NAVSUP PM review and processing of DRMO offloads once approved. Contractor shall be responsible for coordinating with DRMO to complete approved DRMO offloads. The contractor can expect approximately 20,000 annual DRMO actions. Deliverable: Report DRMO candidate list quarterly or as required.

#### Task 6 – DLA FTE Process

Task 6.1 FTE Processing – The contractor shall process/provide FTEs to DLA for material that will potentially be bought back by DLA. The contractor shall provide a demonstrated working knowledge of the FTR response process and actions to be taken in processing issues, following up on DLA credits and reconciliation of all FTE transactions forwarded to DLA for processing. Deliverables: Provide FTE/FTR reports on no less than a monthly basis for any FTE/FTR actions pending for the CARP operation. Provide a monthly update of all actual credits processed by DFAS as a result of the credit process.

Task 6.2 DLA Credit Follow-up & Processing - The contractor shall ensure each TA is tracked until either it is cancelled or credited. Deliverables: Report number and dollar value of outstanding DLA Credits monthly or as required; Provide monthly status reports of follow ups to DLA on all FTMs over 45 days from date of shipment; Provide monthly status reports of follow ups to DLA on all FTZs over 30 days old that have not received credit.

Task 7 – NMCI Migration - Contractor will be required to facilitate the transition of CARP RSupply servers and associated CARP applications from the existing legacy network into the NMCI environment IAW with DoN and NMCI policies and requirements. Servers include two Hewlett Packer 9000/J210. Applications include NTCSS IBS, NTCSS II Desktop, and RSUPPLY. This will also include the

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subsequent maintenance of the servers when under NMCI and IAW DoN and NMCI policies and requirements. Deliverables: Weekly reporting of all requirements associated with the transition to NMCI. Server maintenance reports as required.

Task 8 - Meetings - The contractor shall attend meetings with the Government as necessary to identify and gather the necessary data in support of CARP operations. The contractor may be required to prepare agendas, presentations and shall prepare minutes of meetings detailing the discussions and decisions reached during the meeting. These minutes shall be submitted electronically within five business days of the meeting. Deliverable: Meeting Minutes as required.

Task 9 - Trip Reports - Trip reports will be provided for any temporary assigned duties (TAD) requirement when the contractor provides support outside of the Norfolk, VA area. Trips will be specifically approved by the NAVSUP PM in writing prior to execution. Deliverable: Trip reports as required.

Task 10 - General Maintenance - The contractor shall conduct general maintenance and housekeeping and make reasonable repairs as required within CARP offices and storage locations to ensure a clean and safe work environment. The contractor shall maintain a record of all government provided equipment. Deliverable: Report all damages daily that are beyond the contractor's capabilities;

Task 11 – THIS TASK WILL ONLY BE UTILIZED IF EXPRESSLY DIRECTED THROUGH A TECHNICAL DIRECTION LETTER FROM THE CONTRACTING OFFICERS DESIGNATED REPRESENTATIVE.

Processing Capitalized end-use stock - In support of DoN's Distant Support initiative, DoN will capitalize end-use stock into NWCF (BP-28, BP-34, BP-81, BP-85, etc. as appropriate). Tentative projection for FY 07 includes CARP receiving capitalized FLEET owned excess inventory. Received inventory will be capitalized upon receipt and processed by CARP IAW with Tasks 1 through 10 as outlined in this SOW. Tentative schedule for receipt and processing of this material by CARP is FY 07, Fiscal Quarter (FQ) 3 and FQ 4. Under this task, the contractor can expect, beyond projected transactional actions listed in Tasks 1 through 10, approximately 40,000 receipt actions, 26,000 issue actions, 4,000 Bearer Pick-Up (walk-thru requisitions) actions, 18,400 commercial shipping actions, and 1,000 DRMO actions during FY 07 FQ 3 and FQ 4. This task, projected transactional actions, and projected timeline are subject to change depending on DoN's Distant Support timeline and schedule. Deliverables: Deliverables as stated in Tasks 1 through 10 as outlined in this SOW will be applicable in their entirety to received material processed by CARP under this task.

#### REPORTS:

- Labor Hours and Dollars Expended – The contractor shall submit a monthly status report to the Contracting Officer Representative (COR) no later than the tenth working day of each month for the month preceding of labor hours and dollars expended. Deliverable: Report will consist of labor hours expended by month and cumulative to date; overtime labor hours expended by month and cumulative to date; actual dollars expended by month and cumulative to date.

- Other Reports - The contractor shall provide other reports or perform other tasks not specifically mentioned in this SOW as required to support CARP. Such reports will be identified in Technical Direction Letters (TDL)

#### PLACE OF PERFORMANCE:

The place of performance shall be primarily at NAS Norfolk, VA, Bldg V-88. The contractor is expected to work normal duty hours and to be available for government scheduled meetings.

*Although primary CARP processing will occur at NAS Norfolk, VA, Bldg V-88 additional excess offload tasking may require processing on-site at other Fleet Industrial Supply Center, Naval Air Station and NADEP sites that hold Navy owned excess material. In such cases, CARP processing will*

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*extend to these locations to facilitate offload processing in accordance with NAVSUP policy guidance.*

**WORK HOURS:**

Work is normally accomplished, but not limited to, 0600-1530 weekdays as identified in Tasks 1 through 11.

**GUIDELINES:**

NAVSUP policy guidance and statement of work.

**WORK ENVIRONMENT AND PHYSICAL DEMANDS:**

Stock control work is normally performed in an office setting. Material handling, stowage and receipt is normally performed in warehouse setting with available material handling equipment and contractors are required to manually lift items up to 50 lbs.

**GOVERNMENT FURNISHED EQUIPMENT (GFE)/GOVERNMENT FURNISHED INFORMATION (GFI):**

The Government will provide the contractor with and/or arrange for the delivery to the contractor all information needed for project performance. Determination of what constitutes necessary information will be made by NAVSUP. The Government will furnish subject matter experts as needed and available. The Government will provide adequate working space, all equipment (e.g., desk, chair, computer, printer, copier, telephone, etc.), utilities and janitorial supplies and services. The contractor shall maintain the assigned space in a neat and orderly manner. In addition, the government will furnish 10 each 20' pallet rack uprights and all necessary crossmembers and supports, and the necessary IBS scanners (approximately 15). The contractor shall furnish supplies: (1) 2 ea, 240" forklift truck. (2) 1 ea, 294" forklift truck, propane power. (3) 1 ea, 240" order picker, battery pwr. (4) propane fuel (5) 240 rolls stretch wrap (6) woodworkers misc. tools and material (7) packing and shipping boxes (8) IBS scanners and maintenance (9) Paper supplies for DD1348 Form preparation (10) miscellaneous administrative supplies (11) communications (phone lease). For inventory management of capitalized stock (Task 11), the contractor shall, furnish supplies commensurate with projected stated volume. **THE CONTRACTOR SHALL BE REMINBURSED FOR THE COST OF THE ABOVE FURNISHED SUPPLIES UNDER THE ODC LINE ITEMS.** Personal or company use of phones, utilities, computers, printers, copiers, etc., not directly related to CARP is strictly prohibited. The contractor shall not remove any GFE or supplies from the worksite without the express written permission of the Contracting Officer or his/her designated representative. The contractor shall return all unused material and supplies upon completion of the project and provide clear readable invoices for reimbursement at the end of each month.

**TRAVEL:**

Travel may be required as it is particularly related to support CARP. Any travel requirement must be approved by the NAVSUP PM and will be billed as other direct costs in accordance with Joint Travel Regulations provisions.

**PERIOD OF PERFORMANCE:**

The period of performance is for one year from date of award with five optional years.

**SECURITY CLEARANCE:**

Work under this task order (TO) is unclassified. The contractor shall comply with all applicable DoD security regulations and procedures during the performance of this TO. The contractor shall not disclose and must safeguard procurement sensitive information, computer systems and data, privacy act data, and government personnel work products that are obtained or generated in the performance of this TO. The contractor will be required to provide clearances for personnel requiring access to government computers and workstations.

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**SECTION D PACKAGING AND MARKING**

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## **SECTION E INSPECTION AND ACCEPTANCE**

The Task Order Manager (TOM) identified in Section G is the only person empowered to inspect and accept work under this task order. Upon completion of all work and final submission of all data items, the contractor's

Senior Technical Representative shall prepare and sign a Certificate of Final Acceptance memorandum, and submit it to the TOM for signature. The contractor shall include the fully signed memorandum with its final invoice.

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## **SECTION F DELIVERABLES OR PERFORMANCE**

Deliveries and performance as identified in the Statement of Work.

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## SECTION G CONTRACT ADMINISTRATION DATA

Task Order Manager  
Mr. Kevin Priest  
937 N. Harbor Dr  
Building: 1  
San Diego, CA 92132  
(619) 532-2727

### INVOICING INSTRUCTIONS AND PAYMENT FOR SERVICES

Invoices for services rendered under this contract shall be submitted electronically through Wide Area Work Flow - Receipt and Acceptance (WAWF):

The vendor shall self-register at the web site <https://wawf.eb.mil> . Vendor training is available on the Internet at <http://wawftraining.com>.

The contractor shall submit invoices for payment per contract terms.

Select the 2-in-1 Invoice within WAWF as the invoice type. The 2-in-1 Invoice prepares the Material Inspection and Receiving Report, DD Form 250, and invoice in one document.

Back up documentation (such as timesheets, etc.) shall be included and attached to the invoice in WAWF. Attachments created in any Microsoft Office product are attachable to the invoice in WAWF.

The following information regarding FISC Norfolk, Contracting Department, Philadelphia Office is provided for completion of the invoice in WAWF:

Issuing Office DODAAC: N00189

Admin DODAAC: S2404A

Acceptor DODAAC: N40295

Acceptor POC: Deloma Miley 619-532-3503  
Acceptor Email: [deloma.miley@navy.mil](mailto:deloma.miley@navy.mil)  
LPO DODAAC: N/A

Pay DODAAC: HQ0338

The Government will process invoices for payment per contract terms.

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For more information on Wide Area Workflow, please contact the Wide Area Workflow Implementation Team at wawf@nmlc.med.navy.mil.

### QUALITY ASSURANCE SURVEILLANCE PLAN

**Purpose:** To ensure that the Government has an effective and systematic method of surveillance for the services in the PWS. The QASP will be used primarily as a tool to verify that the contractor is performing all services required by the PWS in a timely, accurate and complete fashion.

1. **Critical performance processes and requirements.** Critical to the performance of the Consumable Asset Reutilization Program (CARP) is the timely, accurate and thorough completion of all contract/task order requirements.
2. **Performance Standards**
  - a. **Schedule** - The due dates for deliverables and the actual accomplishment of the schedule will be assessed against original due dates and milestones established for the contract or task order(s).
  - b. **Deliverables** – The deliverables required to be submitted will be assessed against the specifications for the deliverables detailed in the contract/task order(s) and the Quality Control Plan (QCP), if required by the contract, for the required content, quality, timeliness, and accuracy.
  - c. **Cost** - The COR will review monthly cost vouchers to monitor the contractor’s expenditures throughout the contract and/or task order performance period(s). Also, the COR will analyze the impact on cost of any inaccurate management assertions, acceleration of the due dates for the financial reports, or the lack of personnel.
  - d. **Past Performance** - In addition to any schedule, deliverables, and cost aspects of performance discussed above, pursuant to FAR 42.15, the Government will assess the contractor’s record of conforming to contract requirements and to standards of good workmanship, the contractor’s record of forecasting and controlling costs, the contractor’s adherence to contract schedules including the administrative aspects of performance, the contractor’s history of reasonable and cooperative behavior and commitment to customer satisfaction, and the contractor’s business-like concern for the interest of the customer.
3. **Surveillance methods:** The primary methods of surveillance used to monitor performance of this contract will include, but not be limited to, random or planned sampling, periodic or inspection, and validated customer complaints.
4. **Performance Measurement:** Performance will be measured in accordance with the following table:

<b>Performance Element</b>	<b>Performance Requirement</b>	<b>Surveillance Method</b>	<b>Frequency</b>	<b>Acceptable Quality Level</b>
Contractor Quality Control Plan  (If required by the contract)	QC activities, inspections, and corrective actions completed as required by the plan.	Inspection by the COR	Quarterly for overall QC activities; As Required for corrective actions.	100% Compliance with the contractor plan.
Contract Deliverables	Contract deliverables furnished as prescribed in the PWS, attachments, CDRLs,	Inspection by the COR	100% inspection of all contract deliverables.	>95% of deliverables submitted timely and without

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	Task Orders, etc., as applicable.			rework required.
Overall Contract Performance	Overall contract performance of sufficient quality to earn a Satisfactory (or higher) rating in the COR's annual report on Contractor Performance	Assessment by the COR	Annual	All performance elements rated Satisfactory (or higher)
Invoicing	Monthly invoices per contract procedures are timely and accurate.	Review & acceptance of the invoice	Monthly	100% accuracy

If performance is within acceptable levels, it will be considered to be satisfactory. If not, overall performance may be considered unsatisfactory.

Incentives/Disincentives:

The COR's makes an annual report on Contractor Performance (CPARS or other annual report). The contractor's failure to achieve satisfactory performance under the contract/task order, reflected in the COR's annual report, may result in termination of the contract/task order and may also result in the loss of future Government contracts/task orders. The contractor's failure to achieve satisfactory performance under the contract/task order may result in the non-exercise of available options.

For each item that does not meet acceptable levels, the Government may issue a Contract Discrepancy Report (CDR). CDRs will be forwarded to the Contracting Officer with a copy sent to the contractor. The contractor must reply in writing within 5 days of receipt identifying how future occurrences of the problem will be prevented. Based upon the contractor's past performance and plan to solve the problem, the Contracting Officer will determine if any further action will be taken. \_

In accordance with inspection of services provisions of the contract, the contractor will be incentivized to provide quality products in a timely manner since the Government can require the Contractor, at no additional fee, to replace or correct work that fails to meet contract requirements. To maximize the profit earned on costs incurred, the contractor is incentivized to ensure that quality products are provided in a timely manner.

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Accounting Data
SLINID  PR Number          Amount
-----
100101  N000237RC40602      320000.00
LLA :
AA 97X4930 NC1X 06003 P464.06 AI 25.25 033181 N000237RC40602

300101  N000237RC40602      80000.00
LLA :
AA 97X4930 NC1X 06003 P464.06 AI 25.25 033181 N000237RC40602
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MOD 1

100102 N000237RC40602 AMD 1&2 877690.66  
 LLA :  
 AA 97X4930 NC1X 06003 P464.06 AI 25.25 033181 N000237RC40602

300102 N000237RC40602 AMD 1&2 97521.19  
 LLA :  
 AA 97X4930 NC1X 06003 P464.06 AI 25.25 033181 N000237RC40602

MOD 3

100103 N000237RC40602 378000.00  
 LLA :  
 AA 97X4930 NC1X 06003 P464.06 AI 25.25 033181 N000237RC40602

MOD 4

100104 N000237RC10108 149724.18  
 LLA :  
 AB 97X4930 NC1X 06003 P461.01 AC 25.25 033181 N000237RC10108

300103 N000237RC10108 1154.01  
 LLA :  
 AB 97X4930 NC1X 06003 P461.01 AC 25.25 033181 N000237RC10108

MOD 5

100102 N000237RC40602 AMD 1&2 85000.00  
 LLA :  
 AA 97X4930 NC1X 06003 P464.06 AI 25.25 033181 N000237RC40602

100105 N000238RX40601 AMND 01 203000.00  
 LLA :  
 AC 97X4930 NC1X 06003 P464.06 AI 25.25 033181 N000238RX40601

100201 N000238RX40601 AMND 01 249449.00  
 LLA :  
 AC 97X4930 NC1X 06003 P464.06 AI 25.25 033181 N000238RX40601

300102 N000237RC40602 AMD 1&2 (85000.00)  
 LLA :  
 AA 97X4930 NC1X 06003 P464.06 AI 25.25 033181 N000237RC40602

300201 N000238RX40601 AMND 01 27717.00  
 LLA :  
 AC 97X4930 NC1X 06003 P464.06 AI 25.25 033181 N000238RX40601

MOD 6

100202 431250.00  
 LLA :  
 AC 97X4930 NC1X 06003 P464.06 AI 25.25 033181 N000238RX40601  
 Standard Number: N000238RX40601 AMND 2

300202 47916.00  
 LLA :  
 AC 97X4930 NC1X 06003 P464.06 AI 25.25 033181 N000238RX40601  
 Standard Number: N000238RX40601 AMND 2

MOD 7

100203 N000238RX40601 AMND 3 858899.00  
 LLA :  
 AC 97X4930 NC1X 06003 P464.06 AI 25.25 033181 N000238RX40601  
 Standard Number: N000238RX40601 AMND 3

300203 N000238RX40601 AMND 3 95433.00  
 LLA :  
 AC 97X4930 NC1X 06003 P464.06 AI 25.25 033181 N000238RX40601  
 Standard Number: N000238RX40601 AMND 3

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MOD 9

100204 N000238RX40601 AMND 4 5000.00  
 LLA :  
 AC 97X4930 NC1X 06003 P464.06 AI 25.25 033181 N000238RX40601  
 Standard Number: N000238RX40601 AMND 4

MOD 10

100205 N000238RX40601 AMND. 5 200000.00  
 LLA :  
 AC 97X4930 NC1X 06003 P464.06 AI 25.25 033181 N000238RX40601  
 Standard Number: N000238RX40601 AMND. 5

100206 N000238RX40601 AMND 6 123337.00  
 LLA :  
 AC 97X4930 NC1X 06003 P464.06 AI 25.25 033181 N000238RX40601  
 Standard Number: N000238RX40601 AMND 6

MOD 11

100206 N000238RX40601 AMND 6 61000.00  
 LLA :  
 AC 97X4930 NC1X 06003 P464.06 AI 25.25 033181 N000238RX40601  
 Standard Number: N000238RX40601 AMND 6

100207 1300114911 200000.00  
 LLA :  
 AD 97X4930 NC1E 252 91022 0 050120 2F 000000 A00000064619  
 Standard Number: 1300114911

100208 1300118705 97000.00  
 LLA :  
 AE 97X4930 NC1E 252 91022 0 050120 2F 000000 A000000102079  
 Standard Number: 1300118705

100301 1300118723 1900000.00  
 LLA :  
 AF 97X4930 NC1E 252 91022 0 050120 2F 000000 A00000102273  
 Standard Number: 1300118723

300203 N000238RX40601 AMND 3 (61000.00)  
 LLA :  
 AC 97X4930 NC1X 06003 P464.06 AI 25.25 033181 N000238RX40601  
 Standard Number: N000238RX40601 AMND 3

300301 1300118723 51000.00  
 LLA :  
 AF 97X4930 NC1E 252 91022 0 050120 2F 000000 A00000102273  
 Standard Number: 1300118723

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## **SECTION H SPECIAL CONTRACT REQUIREMENTS**

### LIMITATION OF LIABILITY - INCREMENTAL FUNDING

This order is incrementally funded and the amount available for payment hereunder is limited to the cumulative total of funding provided in Section G under the heading "Accounting Data," inclusive of fee. Subject to the provisions of the clause entitled "Limitation of Funds" (FAR 52.232-22), no legal liability on the part of the Government for payment in excess of that cumulative total shall arise unless additional funds are made available and are incorporated as a modification to this contract.

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## SECTION I CONTRACT CLAUSES

### Section I

Note: All the provisions and clauses of SECTION I of the basic contract apply to this task order (unless otherwise specified in the task order) plus the following:

#### 52.217-9--Option to Extend the Term of the Contract (MAR 2000)

(a) The Government may extend the term of this contract by written notice to the Contractor prior to the expiration of the previous period of performance; provided, that the Government gives the Contractor written notice of its intent to extend prior to the expiration of the previous period of performance.

(b) If the Government exercises this option, the extended contract shall be considered to include this option clause.

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed 72 months.

#### CLAUSES INCORPORATED BY REFERENCE (FEB 1998) (FAR 52.252-2)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these addresses (es): <http://www.farsite.hill.af.mil/>.

#### 52.222-41 Service Contract Act (1965)

#### 252.232-7003, ELECTRONIC SUBMISSION OF PAYMENT REQUESTS (MAY 2006)

(a) Definitions. As used in this clause—

(1) “Contract financing payment” and “invoice payment” have the meanings given in section 32.001 of the Federal Acquisition Regulation.

(2) “Electronic form” means any automated system that transmits information electronically from the initiating system to all affected systems. Facsimile, e-mail, and scanned documents are not acceptable electronic forms for submission of payment requests. However, scanned documents are acceptable when they are part of a submission of a payment request made using one of the electronic forms provided for in paragraph (b) of this clause.

(3) “Payment request” means any request for contract financing payment or invoice payment submitted by the Contractor under this contract.

(b) Except as provided in paragraph (c) of this clause, the Contractor shall submit payment requests using one of the following electronic forms:

(1) Wide Area WorkFlow-Receipt and Acceptance (WAWF-RA). Information regarding WAWF-RA is available on the Internet at <https://wawf.eb.mil>.

(2) Web Invoicing System (WInS). Information regarding WInS is available on the Internet at <https://ecweb.dfas.mil>.

(3) American National Standards Institute (ANSI) X.12 electronic data interchange (EDI) formats.

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- (i) Information regarding EDI formats is available on the Internet at <http://www.X12.org>.
- (ii) EDI implementation guides are available on the Internet at <http://www.dod.mil/dfas/>.
- (4) Another electronic form authorized by the Contracting Officer.
- (c) If the Contractor is unable to submit a payment request in electronic form, or DoD is unable to receive a payment request in electronic form, the Contractor shall submit the payment request using a method mutually agreed to by the Contractor, the Contracting Officer, the contract administration office, and the payment office.
- (d) In addition to the requirements of this clause, the Contractor shall meet the requirements of the appropriate payment clauses in this contract when submitting payment requests.

**Limitation of Cost (Apr 1984)**

- (a) The parties estimate that performance of this contract, exclusive of any fee, will not cost the Government more than
  - (1) the estimated cost specified in the Schedule or,
  - (2) if this is a cost-sharing contract, the Government's share of the estimated cost specified in the Schedule.

The Contractor agrees to use its best efforts to perform the work specified in the Schedule and all obligations under this contract within the estimated cost, which, if this is a cost-sharing contract, includes both the Government's and the Contractor's share of the cost.

- (b) The Contractor shall notify the Contracting Officer in writing whenever it has reason to believe that --
  - (1) The costs the Contractor expects to incur under this contract in the next 60 days, when added to all costs previously incurred, will exceed 75 percent of the estimated cost specified in the Schedule; or
  - (2) The total cost for the performance of this contract, exclusive of any fee, will be either greater or substantially less than had been previously estimated.
- (c) As part of the notification, the Contractor shall provide the Contracting Officer a revised estimate of the total cost of performing this contract.
- (d) Except as required by other provisions of this contract, specifically citing and stated to be an exception to this clause --

- (1) The Government is not obligated to reimburse the Contractor for costs incurred in excess of
  - (i) the estimated cost specified in the Schedule or,
  - (ii) if this is a cost-sharing contract, the estimated cost to the Government specified in the Schedule; and
- (2) The Contractor is not obligated to continue performance under this contract (including actions under the Termination clause of this contract) or otherwise incur costs in excess of the estimated cost specified in the Schedule, until the Contracting Officer
  - (i) notifies the Contractor in writing that the estimated cost has been increased and
  - (ii) provides a revised estimated total cost of performing this contract.

If this is a cost-sharing contract, the increase shall be allocated in accordance with the formula

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specified in the Schedule.

(e) No notice, communication, or representation in any form other than that specified in subparagraph (d)(2) above, or from any person other than the Contracting Officer, shall affect this contract's estimated cost to the Government. In the absence of the specified notice, the Government is not obligated to reimburse the Contractor for any costs in excess of the estimated cost or, if this is a cost-sharing contract, for any costs in excess of the estimated cost to the Government specified in the Schedule, whether those excess costs were incurred during the course of the contract or as a result of termination.

(f) If the estimated cost specified in the Schedule is increased, any costs the Contractor incurs before the increase that are in excess of the previously estimated cost shall be allowable to the same extent as if incurred afterward, unless the Contracting Officer issues a termination or other notice directing that the increase is solely to cover termination or other specified expenses.

(g) Change orders shall not be considered an authorization to exceed the estimated cost to the Government specified in the Schedule, unless they contain a statement increasing the estimated cost.

(h) If this contract is terminated or the estimated cost is not increased, the Government and the Contractor shall negotiate an equitable distribution of all property produced or purchased under the contract, based upon the share of costs incurred by each.

#### **Limitation of Funds (Apr 1984)**

(a) The parties estimate that performance of this contract will not cost the Government more than

(1) the estimated cost specified in the Schedule or,

(2) if this is a cost-sharing contract, the Government's share of the estimated cost specified in the Schedule.

The Contractor agrees to use its best efforts to perform the work specified in the Schedule and all obligations under this contract within the estimated cost, which, if this is a cost-sharing contract, includes both the Government's and the Contractor's share of the cost.

(b) The Schedule specifies the amount presently available for payment by the Government and allotted to this contract, the items covered, the Government's share of the cost if this is a cost-sharing contract, and the period of performance it is estimated the allotted amount will cover. The parties contemplate that the Government will allot additional funds incrementally to the contract up to the full estimated cost to the Government specified in the Schedule, exclusive of any fee. The Contractor agrees to perform, or have performed, work on the contract up to the point at which the total amount paid and payable by the Government under the contract approximates but does not exceed the total amount actually allotted by the Government to the contract.

(c) The Contractor shall notify the Contracting Officer in writing whenever it has reason to believe that the costs it expects to incur under this contract in the next 60 days, when added to all costs previously incurred, will exceed 75 percent of

(1) the total amount so far allotted to the contract by the Government or,

(2) if this is a cost-sharing contract, the amount then allotted to the contract by the Government plus the Contractor's corresponding share.

The notice shall state the estimated amount of additional funds required to continue performance for the period specified in the Schedule.

(d) Sixty days before the end of the period specified in the Schedule, the Contractor shall notify the Contracting Officer in writing of the estimated amount of additional funds, if any, required to continue timely performance under the contract or for any further period specified in the Schedule or otherwise agreed upon, and when the funds will be

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required.

(e) If, after notification, additional funds are not allotted by the end of the period specified in the Schedule or another agreed-upon date, upon the Contractor's written request the Contracting Officer will terminate this contract on that date in accordance with the provisions of the Termination clause of this contract. If the Contractor estimates that the funds available will allow it to continue to discharge its obligations beyond that date, it may specify a later date in its request, and the Contracting Officer may terminate this contract on that later date.

(f) Except as required by other provisions of this contract, specifically citing and stated to be an exception to this clause --

(1) The Government is not obligated to reimburse the Contractor for costs incurred in excess of the total amount allotted by the Government to this contract; and

(2) The Contractor is not obligated to continue performance under this contract (including actions under the Termination clause of this contract) or otherwise incur costs in excess of --

(i) The amount then allotted to the contract by the Government or;

(ii) If this is a cost-sharing contract, the amount then allotted by the Government to the contract plus the Contractor's corresponding share, until the Contracting Officer notifies the Contractor in writing that the amount allotted by the Government has been increased and specifies an increased amount, which shall then constitute the total amount allotted by the Government to this contract.

(g) The estimated cost shall be increased to the extent that

(1) the amount allotted by the Government or,

(2) if this is a cost-sharing contract, the amount then allotted by the Government to the contract plus the Contractor's corresponding share, exceeds the estimated cost specified in the Schedule.

If this is a cost-sharing contract, the increase shall be allocated in accordance with the formula specified in the Schedule.

(h) No notice, communication, or representation in any form other than that specified in subparagraph (f)(2) above, or from any person other than the Contracting Officer, shall affect the amount allotted by the Government to this contract. In the absence of the specified notice, the Government is not obligated to reimburse the Contractor for any costs in excess of the total amount allotted by the Government to this contract, whether incurred during the course of the contract or as a result of termination.

(i) When and to the extent that the amount allotted by the Government to the contract is increased, any costs the Contractor incurs before the increase that are in excess of --

(1) The amount previously allotted by the Government or;

(2) If this is a cost-sharing contract, the amount previously allotted by the Government to the contract plus the Contractor's corresponding share, shall be allowable to the same extent as if incurred afterward, unless the Contracting Officer issues a termination or other notice and directs that the increase is solely to cover termination or other specified expenses.

(j) Change orders shall not be considered an authorization to exceed the amount allotted by the Government specified in the Schedule, unless they contain a statement increasing the amount allotted.

(k) Nothing in this clause shall affect the right of the Government to terminate this contract. If this contract is terminated, the Government and the Contractor shall negotiate an equitable distribution of all property produced or purchased under the contract, based upon the share of costs incurred by each.

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(1) If the Government does not allot sufficient funds to allow completion of the work, the Contractor is entitled to a percentage of the fee specified in the Schedule equaling the percentage of completion of the work contemplated by this contract.

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## **SECTION J LIST OF ATTACHMENTS**

Copy of Area Wage Determination for SCA applicability