



C



Daniels, Clarence N CIV USA AMC

From: Daniels, Clarence N CIV USA AMC
Sent: Friday, August 15, 2008 12:34 PM
To: Daniels, Clarence N CIV USA AMC
Subject: Theft by Lockheed Martin Missiles & Fire Control contract mischarging Settlement Agreement, DCMA questions. Ref: OSC file DI-00-1499. (UNCLASSIFIED)
Attachments: Executed Settlement Agreement.pdf

Classification: UNCLASSIFIED
Caveats: NONE

-----Original Message-----

From: Daniels, Clarence N ACQ
Sent: Thursday, July 13, 2006 4:49 PM
To: 'hotline@dodig.mil'
Subject: FW: Lockheed Martin Missiles & Fire Control contract mischarging Settlement Agreement, DCMA questions. Ref: OSC file DI-00-1499.

From: Daniels, Clarence N ACQ
Sent: Thursday, July 13, 2006 10:43 AM
To: Baddley, Laura L CID; 'Lloyd.Peeples@usdoj.gov';
'hotline@dodig.osd.mil'; 'fraudnet@gao.gov'; 'Criminal.Division@usdoj.gov';
'BWheeler@osc.gov'; 'Joseph.Satagaj@dcma.mil'; 'Gill.Bass@dcma.mil'; 'MPaslawski@osc.gov'
Subject: Lockheed Martin Missiles & Fire Control contract mischarging Settlement Agreement, DCMA questions. Ref: OSC file DI-00-1499.

Laura and Lloyd,

See the attached Settlement Agreement and the DCMA question concerning the assessment of penalties on LMMFC for submitting unallowable 2004 overhead costs in brazen violation of the signed Agreement as discussed in the email below. My question is why is Mr. Norton not referring his questions to DOJ legal and to the actual signers of the agreement to ascertain the intent of the parties, or at least to the members of the government team that actually participated in the final settlement negotiations conducted in Washington D.C.?

I suggest you both speak to him directly concerning this matter.

Thank you,
Clarence N. Daniels
Contract Specialist
256 876-8980

From: Norton, Charles [mailto:Charles.Norton@dcma.mil]
Sent: Thursday, July 13, 2006 6:19 AM
To: Rodriguez, Colleen M ACQ
Subject: RE: Settlement Agreement

TAB  C

Good Morning Colleen,

I have read and re-read the agreement several times. Lockheed Martin Missiles & Fire Control, (LMMFC) agrees that the costs associated to prepare for and enter into the agreement are unallowable and will remove them from the 2004 overhead claim. The issue I have to settle is if the penalty for submitting unallowable costs is applicable. LMMFC is citing paragraph 14, that states the agreement is effective on the date of signature of the last signatory to the settlement agreement. That would be Marlene Cruze's signature on January 3, 2005. Therefore, while the costs are still unallowable there is no penalty because the agreement was not in affect. I am not buying that argument but there may be other issues that mitigate the amount subject to penalties and interest.

Mike

From: Rodriguez, Colleen M ACQ [mailto:colleen.rodriguez@us.army.mil]
Sent: Tuesday, July 11, 2006 2:03 PM
To: Norton, Charles
Subject: Settlement Agreement

Mike,

Please note paragraph 3 under the terms of the Agreement.

Thanks,

Colleen

Classification: UNCLASSIFIED

Reveals: NONE

D

Daniels, Clarence N CIV USA AMC

Attachment 02

m: Daniels, Clarence N CIV USA AMC
t: Monday, July 21, 2008 9:46 AM
To: Daniels, Clarence N CIV USA AMC
Subject: FW: Nothing to do? - assign to a cost contract (UNCLASSIFIED)
Attachments: Daily.doc

PAGE 1 OF 4

Classification: UNCLASSIFIED
Caveats: NONE

-----Original Message-----

From: [mailto:]
Sent: Tuesday, July 24, 2007 7:18 AM
To: Daniels, Clarence N CIV USA AMC
Subject: Nothing to do? - assign to a cost contract

Clarence,

See the attached which is sort of a diary I kept for a portion of the time that Lockheed had me charging cost type contracts when there was little productive work to be accomplished.

I also have well documented emails from Sep 2001 thru March 2002 informing the company that I was charging a cost contract with minimal time required (during this period the company created a job for me - it was a job that was being performed part time by our WSMR test manager)

following is from a summary I prepared for another purpose relating to the above.
"5. Three days later a "NEW SLOT" was created, just for me. A slot that was not full time. A slot that was not half time. A slot that was about quarter time. My take on this is that the company does not mind using cost contracts as holding station for employees like me in lieu of having to make a real personnel decision. Best of both worlds for the company."

Although I am retirement eligible, I do not plan to retire in the near term.

RSVP if you are interested in pursuing.
Otherwise, have a good day.

<<Daily.doc>>

Classification: UNCLASSIFIED
Caveats: NONE

TAB D

19 May 2005

1. Thursday 9:00 end of the week – got in 25 minutes late
2. Stopped by to see Svihel – found out we have a CDRL issue on the Fleet contract regarding the PCR
3. Looked thru my email and calendar – nothing requiring any action
4. next thing to do is 10:00 with Meiners on the PDP process – think I will fill the time with solitaire
5. Lunch
6. Spent ½ hour with Terry Lowrey discussing a rev to TDL 2005-03
7. Walked the building to get updates on the program from the POCs- took ½ hour
8. 2:00 – considering the absurdity of my situation – looked up Camus for some reading material
9. It is 3:25, finished reading Camus – nothing more to do – will change my timecard to show that I am leaving at 3:45 – can't take the boredom

18 May 2005

1. Got in around 6:35
2. Cleaned up email and another mark-up of the IP1 PMP by 9:00
3. Talked to Oscar about schedules for 2003-04D and 2005-07
4. this completed the morning activities by ~10:00 AM
5. Terry stopped by to discuss a revision to 2005-03
6. went outside for a break and got in 5 games of solitaire
7. It is now 2:45, work seems to be done, will now take a warm up drive
8. Back around 3:00 – no new email - will check the internet for solutions to plant chlorosis indications
9. 5:00 – End of the day

17 May 2005

1. Got in at 6:00 AM
2. Worked on the Juliet Program Management Plan – finished by 8:00
3. Reed came in with a leaf to be identified (was told that it was purple wintercreeper euonymus)
4. Worked? The lunch hour and documented .6 hours CT
5. I found out that the leaf was euonymus alatus (aka winged euonymus)
6. Got tired – left at 4:15 PM

3 May 2005

1. taking a drive at 3:00 to get warmed up

2 May 2005

1. submitted TDL 2005-07, FQT simulator upgrade
2. submitted TDL 2005-10, Bulova SDF
3. resubmitted TDL 2003-19A with Kessler's comments

29 April 2005

1. Decided to start back on the diary to see how my time is being spent

Jan – Mar

Did not keep notes – I guess that it was too much effort; however, based on my recollection, I was moderately busy. I would give it a range of 50-90%

16 December 2004

1. Got in about 5:30 worked on garden files until 10:00
2. Contacted SGPHS about schedule
3. Got CLIN 0002 & 3 prelim PCR from Janell @ 11:00 and started reviewing
4. Finished review by 11:30

- FAB-D

5. working thru lunch – started some games of free cell
6. Left @ 3:20 completed free cell with average of 7.33 minutes

15 December 2004

1. It is 8:00 AM
 - a. Finished the initial try at the crossword puzzle
 - b. Got thru some renaming of the files for the garden
 - c. Time to start some free cell solitaire
2. Started frequency distribution on time to complete Free Cell
3. Replied to Gena on what to charge her IES time to
4. Signed WA extending PoP for launch tube and GMLRS timeline
5. Spent about 10 min taking course RC10IQ
6. Svihel stopped by to discuss change in off-Fridays at WSMR

14 December 2004

1. Tuesday is the 1st day that I remember doing nothing productive
2. Still keeping up with doing the daily crossword puzzle just trying to fill out the day
3. Stopped by to see Janell on the re-spread of CLIN 0002 thru October
4. Got in 50 games of Free Cell – I think it is time to get a frequency distribution on the time it takes for 1 game

13 December 2004

1. Starting to get unacceptable coming to work
2. Brought the Dell laptop to organize the garden pictures
3. Monday I did some minimal work on Access reports – no one will ever know the difference.
4. Sent email to Horace regarding contract section G-1 A.

30 November 2004

1. Came in early to make up time from last week
2. Brought the Dell computer to catch up with labeling the garden pictures
3. Got the estimate from pricing for 2004-15 and prepared the final TDL for Bill's review
4. The TDL activity took about a half hour

29 November 2004

1. Nothing all morning
2. Nothing early afternoon
3. spent about 1.5 hours preparing TDL 2004-15 for Bill Curry
4. Requested an estimate from pricing for the 732 hours that Bill estimated
5. Started taking a 15 minute ride in the afternoon to get warm

got lazy and did not even keep this up

11 October 2004

1. Email from Terrie asking about GMLRS SRP support under IES
2. Question from Logistics on APU/ECU TDL – they will get with Larry
3. Signed up for Visa web site
4. reviewed rollover minutes
5. printed daily crossword after lunch

07 October 2004

1. Got a call from Terrie – there is \$3.566M FY05 STSS available. Recommended
 - a. \$1.200 to CLIN 0002
 - b. \$2.366 to CLIN 0005 – OR to CLIN 1005: Terrie will get with Lisa

17 August 2004

1. Took training tests for harassment and environment

17B D

2. Updated TDL for the HIMARS HF antennae study with the final pricing data
3. Worked on TDL for cable changes with initial pricing data
4. went to eye doctor – ruptured blood vessel
5. Worked cable change TDL pricing
6. Looked up plants

16 August 2004

1. Contacted Jerita about how she wants to handle the Foxtrot FCA
2. Signed revised WA for CLIN 0003 (the initial WA included fee in the funding)
3. Crossword, freecell – ended the morning
4. Kerry called about a call he got from Yanulavich wanting weekly data – cost schedule
5. Discussed Quarterly Progress report with Kerry – by CLIN by ESM
6. Researched “low water use flowers”

12 August 2004

1. Started looking at CLIN 0003 budget for the amount of reserves
2. Checked internet for Vivitar camera (ViviCam 3715)
3. Started working TDL for HIMARS JTRS HF antenna study – sent to Emilio for pricing

11 August 2004

1. Mentioned the Friday Colvin meeting to Bezner - he said that he has not heard anything recently.
2. Asked Bezner if he wanted anything done differently for the IES program - he made no comment
3. Signed mod to incorporate ATACMS CDRL mod
4. Crossword, freecell
5. Checked Comcast – got new cable lineup
6. Changed staples
7. Checked into Comcast cable phone
8. Checked the status of open TDLs
9. Talked to Jerita and Waynette. Provided recommendations on how to close our the Foxtrot action items (email)

10 August 2004

1. Terrie said that Colvin's Fri 13 Aug meeting did not go all that well. Colvin plans to follow up with us the last week of September
2. Crossword, freecell, compost, buddlia daviei nanhoesis

TAB D

Daniels, Clarence N CIV USA AMC

From: "Williams; Deborah" <dwilliams@dcmdw.dla.mil>
Thursday, March 09, 2000 1:41 PM
"Bucky Tucker" <Bucky.Tucker@dcaa.mil>; "June Smith - DCAA"
<june_smith@rce.dcaa.mil>
Cc: CDANIEL; CRODRIG
Subject: FW: Weekly IES/Prod Support Report 3/5/00
Attachments: Text Item.TXT; 03-02.doc; RFC822.TXT

Note under M270 the voluntary refund. Over 5,000 hours moved from IES cost type to a firm fixed price FMS thanks to Colleen and Clarence.

Debbie

> -----Original Message-----
> From: Deam, Paula
> Sent: Thursday, March 09, 2000 11:15 AM
> To: 'Handley, George (MLRS PMO)'; Johnston, Don; Castleberry, Randy;
> Culver, Margaret; Sanders, Randy; Williams, Deborah; Le, Qui; Maewal,
> Renuka
> Subject: FW: Weekly IES/Prod Support Report 3/5/00 *
>
> George - Didn't know if Harold forwarded this to you yet.
>
> <<Weekly Activity Report>>

TAB D

E

21 Jul 2008
Mr. Daniels/6-8980

MEMORANDUM FOR OFFICE OF SPECIAL COUNSEL, DISCLOSURE UNIT,
ATTN: Mrs. Malia Myers 1730 M STREET, NW SUITE 201, WASHINGTON, D.C.
20036-4505.

Subject: [*Reference OSC active file no. DI-00-1499*], OSC notification to a reported collaborating contractor witness and whistleblower Mr. Richard, (Dick) McGough, of the possible imminent exposure of both his identify and his allegations of management gross contract mismanagement and waste rising to the level of intentional fraud to his present employer Lockheed Martin Corporation (LMC), through the alleged imminent employment of Mr. James Byrne, former Deputy Special Counsel by LMC and James Comey, former Deputy U.S. Attorney General.

Recent alleged employment of Mr. James Byrne by LMC Corporate Legal office: “ Jim Byrne, the deputy special counsel, will work under Lockheed Martin's General Counsel James Comey, the former deputy U.S. attorney general, sources said” as reported in Government Executive Magazine, copy attached.

Additional Supporting Documents:

Attachment 01, Original contact email dated, 24 Jul 07 from Mr. Richard, (Dick) McGough, former Lockheed Martin Missiles and Fire Control, (LMMFC) Dallas, TX Industrial Engineering Services, (IES) contracts manager for IES contracts referenced in OSC active file number DI-00-1499 which he alleges LMMFC management gross contract mismanagement and waste rising to the level of intentional fraud under past and present government IES contracts with LMMFC.

Attachment 02, Government Executive Magazine 11 Jul 08 news article.

Recommendation:

Considering I have no secure or anonymous way of contacting Mr. McGough, may I suggest your office contact him immediately and directly informing him of this present state of events as they may affect his desired continued anonymity and in direct regard to probable future adverse reprisals directed towards him by his employer, (LM) as a result of his disclosures of gross contract mismanagement and waste rising to the level of intentional fraud under past and present government IES contracts delineated in the referenced OSC file.

Questions and/or comments concerning the content of this memorandum or any supporting documents referenced or inferred herein may be addressed to the undersigned at my home address or (256) 830-1967.

TAB E

I hereby certify by my legal signature below, that to the best of my knowledge and belief, all of the information contained in or attached to this memorandum is true, correct, complete, and made in good faith.

Sincerely,



Clarence Nelson Daniels

CF:

Hon. Scott Bloch, US Office of Special Counsel
Hon. Jeffrey A. Taylor, US Attorney for the District of Columbia
Hon. Chuck Rosenberg, US Attorney for the Eastern District of Virginia
Federal Bureau of Investigation, Tip-line, Washington, D.C.
DOD, IG
DOJ, Criminal Division/Fraud Section
Under Secretary of Defense (AT&L)
GAO, FraudNet
President's Council on Integrity and Efficiency, (Redacted)
Senate Armed Services Committee (Redacted)
House Armed Services Committee (Redacted)
House Judiciary Committee (Redacted)
Oversight and Government Reform Committee, (Redacted)
Secretary of the Army (Redacted)
Secretary of Defense (Redacted)

TAB E



THE WORKFORCE DEFENSE+HOMELAND SECURITY TECHNOLOGY MANAGEMENT+OVERSIGHT

Deputy to embattled Special Counsel leaves for Lockheed

CongressDaily July 11, 2008

The top deputy to Scott Bloch, the embattled head of the Office of Special Counsel, has resigned to take a job at Lockheed Martin Corp. in what employees called a sign of turmoil at the agency.

Jim Byrne, the deputy special counsel, will work under Lockheed Martin's General Counsel James Comey, the former deputy U.S. attorney general, sources said.

Bloch, whose office enforces federal workplace laws, is under investigation by the U.S. attorney for the District of Columbia.

FBI agents raided the agency's offices and Bloch's home in May in an apparent search for evidence Bloch destroyed computer files sought by investigators in a separate probe into charges Bloch retaliated against agency whistleblowers who opposed his policies.

Office of Special Counsel employees said Byrne criticized Bloch's management in a resignation letter, but denied reports that Byrne resigned in protest.

Byrne is among several OSC employees who were scheduled to appear before a federal grand jury investigating Bloch, according to people involved in the probe.

COMMENTS

James Comey has received high praise from all sides as being a man of high integrity and conscience. His May 3, 2007 testimony to Congress speaks for itself (just search YouTube or Google). His kind are rare these days. It's easy to understand why Jim Byrne would want to work for Comey rather than the "ethically challenged" head of OSC - Scott Bloch.

A Democrat Posted July 15, 2008 2:49 PM

I was under the impression from JAG that it is illegal to work for a contractor within a year of leaving government employment???

paul Posted July 15, 2008 12:39 AM

T A B E

F

MEMORANDUM FOR DEPARTMENT OF DEFENSE, INSPECTOR GENERAL,
DEFENSE HOTLINE, THE PENTAGON, FAX NO. (703) 604-8567.

THRU: OFFICE OF SPECIAL COUNSEL, DISCLOSURE UNIT,
ATTN: Mrs. Malia Myers Paslawski, 1730 M STREET, NW SUITE 201,
WASHINGTON, D.C. 20036-4505.

Subject: [*Reference OSC file no. DI-00-1499*], Submissions of additional tangible prima facie evidence of systemic criminal conduct with intent to defraud the US Army and its Foreign Military Sales (FMS), customers. Criminal and unethical acts have been perpetrated by perfidious past and present US Army Aviation and Missile Command (AMCOM), and Multiple Launch Rocket System (MLRS), Program Executive office (PEO) managerial officials. A myriad of insidious criminal acts, contract violations, schemes, and ruses committed by these public officials have given way to fielded MLRS launchers with deadly safety flaws, contract fraud, a deluge of false claims, and management illegal despotic exercise of power. These surreptitious acts and false claims were instigated and contrived with deliberate collusion between PEO and AMCOM culpable management officials and the system prime contractor. Notwithstanding the horrific unmitigated safety risks posed to launcher crews and property the alleged collusive and persistent criminal activity resulted in fraudulent monetary and property losses to the US Army and its FMS customers of more than *\$100 million* under MLRS M270, M270A1, HIMARS, and GMLRS contracts.

Recent Developments: The proposed issuance of a retroactive contract waiver of Government rights to legally enforceable indemnification for more than \$12 million in government property in contractor possession and control under the fixed price portion of contract DAAH01-03-C-0005. Pursuant to Federal Acquisition Regulation (FAR), Government Property clause, 52.245-2 included in the contract, the contractor is generally responsible for all loss, damage or destruction of government property in its possession and control. This clause includes required compensation to the Government for government property that may be lost, damaged, or misused while in the possession and control of the contractor, Lockheed Martin Missiles and Fire Control Systems (LMMFC), Dallas, TX. The proposed retroactive modification would negatively affect the risk of loss to the Government for over *\$12 million* dollars in contractually accountable government property. The modification as proposed would be in violation of FAR 45.106(b)(2) and implies a sub-rosa attempt to retroactively evade accountability and responsibility for high dollar value government property already under LMMFC possession and control. This high dollar value government property has not been verifiably inventoried or physically audited by the Government. This modification will effectively cloak past and future LMMFC liable misconduct to unlearned management overseers. This modification would not be in the best interest of the Government given LMMFC, AMCOM, and PEO alleged criminal conduct as noted and abridged herein and as further defined in DI-00-1499.

TAF3 F

PEO and AMCOM management officials continue to culpably acquiesce to highly questionable LMMFC self serving requests for contract waivers, deviations, and modifications that have either eliminated or degraded critical MLRS weapon system safety and tactical operational performance without legally sufficient consideration or mitigation to the Government in return for reducing or eliminating negotiated and contractually mandated MLRS safety, performance, cost, or delivery requirements.

PEO and AMCOM senior management officials tacitly feign ignorance and malingering to dutifully act on what has been a deluge of pervasive and enduring conspiratorial management fraud, subreption, despotism, incompetence, and dereliction of duty.

Abridged list of perfidious AMCOM, PEO, and LMMFC management collusive contract violations, schemes, and ruses in DI-00-1499:

1. The alleged LMMFC theft by deception in collusion with perfidious AMCOM and PEO management officials of over **\$3.5 million** in government owned M270A1 rotatable warranty spares while in LMMFC possession and control through subversion, abuse, and intentional non-performance of mandatory contract warranty administration procedures specified in contract number DAAH01-94-C-A005.

2. The alleged LMMFC theft by deception in collusion with perfidious AMCOM and PEO management officials of more than **\$4.5 million** in false claims through fraudulent manipulation and inflation of total negotiated fixed price contract line item amounts for M270A1 initial spare parts option quantities previously awarded under contract number DAAH01-98-C-0138. Total obligated line item amounts as shown in the contract were falsified by phantom decreases made to the contract by modification no. P00030.

3. The alleged LMMFC theft by deception in collusion with perfidious AMCOM and PEO management officials of 5 each MLRS Fire Control Systems, (FCS) that were all fraudulently inspected and accepted by proxy using a single undelivered surrogate FCS. The 5 FCSs were fully paid for, but were never physically delivered nor rescheduled for future delivery as required by DAAH01-00-C-0109. The total price paid by the Government for these 5 each missing FCSs that have yet to be physically inspected and accepted and scheduled for delivery to the Government was more than **\$7.5 million**.

4. The alleged LMMFC theft by deception and false pretense in collusion with perfidious AMCOM and PEO management officials of government "unlimited rights" in technical data, cost-saving sharing incentives, and royalty payments totaling more than **\$33 million** in false claim payments under the voluntary value engineering incentive program clause of contract DAAH01-89-C-0336. Negotiation memoranda and contract data with the Government of Japan indicate that these same fraudulently obtained contractor "proprietary rights" in technical data may have been licensed to Japan by LMMFC for **\$20 million**, with sole benefit of the proceeds to LMMFC for the use of technical data that was actually developed exclusively at Government expense under government Engineering Services cost-type contracts DAAH01-92-C-0243, DAAH01-96-C-0296, DAAH01-98-C-0157 and DAAH01-00-C-0141.

TAB F

5. The conditional acceptance and full payment by the Government for over 100 non-conforming and unsafe M270A1 launchers. LMMFC is contractually obligated to perform all corrective action required, at no additional cost to the Government, to bring all previously delivered launchers into full contract compliance pursuant to FAR 52.246-2(l) of fixed price production contracts DAAH01-98-C-0138 and DAAH01-00-C-0109. LMMFC corrective action is surreptitiously being performed at government expense under government cost-type Engineering Services contracts DAAH01-98-C-0157, DAAH01-00-C-0141, and other government funded MLRS contracts. Fraudulent costs being charged to the Government for LMMFC required corrective action to bring the conditionally accepted non-conforming launchers into full contract compliance with safety and performance specifications are estimated at more than *\$60 million*.

Additional Supporting Documents:

Attachment 01, Excerpts from contract number DAAH01-03-C-0005 indicating the type and dollar value of the government property being placed at risk by the addition of the **Alternate I** clause to FAR 52.245-2 to the contract.

Attachment 02, Copy of LMMFC letter dated, 17 Aug 05 requesting a change to contract DAAH01-03-C-0005 clause, FAR 52.245-2 which would essentially grant un-audited retroactive relief of the risk of loss for millions of dollars in government property placed under LMMFC possession and control.

Attachment 03, FAR clauses 45.106(b)(2) and 52.245-2 and **Alternate I**.

Conclusion: The prima facie evidence of longtime systemic fraudulent conduct under MLRS HIMARS, GMLRS, M270, M270A1, Research & Development, and Engineering Services fixed price and cost-type contracts by perfidious LMMFC, AMCOM, and PEO management is far too endemic, insidious, and preeminent to be merely attributed to combined gross mismanagement. A Government full and rigorous criminal investigation is warranted.

A myriad of illicit contracting, personnel, fiduciary and ethical violations have been committed by perfidious AMCOM and PEO management officials with plausible implications of illicit "*quid pro quo*" kickback, post government employment, and other clandestine remuneration schemes being contrived and perpetrated between present and former culpable government officials and LMMFC.

Malignant covert and collusive criminal malfeasance continues to progress under various active MLRS contracts as implied by this latest proposed subreption. The contract modification as proposed will unnecessarily place the Government at a substantially higher risk of present, past, and future LMMFC property misuse, abuse, and dubious property loss, and will inconspicuously and retroactively waive virtually all possible LMMFC liability for liable risks of loss, misuse, abuse, or damage to millions of dollars of accountable government property under its possession and control under the fixed price effort of contract DAAH01-03-C-0005.

TAB F

The proposed modification to contract DAAH01-03-C-0005 as prescribed in the attached LMMFC letter dated, 17 AUG 05 should not be implemented for the reasons delineated herein, and unless or until, my allegations specified in DI-00-1499 have either been summarily dismissed by the appropriate investigative/prosecutorial agencies, legally mitigated, or otherwise adjudicated.

Questions and/or comments concerning the content of this memorandum or any supporting documents referenced or inferred herein may be addressed to the undersigned at my home address or (256) 830-1967.

I hereby certify by my legal signature below, that to the best of my knowledge and belief, all of the information contained in or attached to this memorandum is true, correct, complete, and made in good faith.

Sincerely,



Clarence Nelson Daniels

CF w/o attachments:
Honorable Robert Cramer
Honorable Richard Shelby
Honorable John Warner
Honorable Carl Levin
Honorable Barbra Lee
Honorable Henry Waxman
Honorable Charles Grassley
Honorable John McCain
Honorable Harry Reid
Honorable Byron Dorgan
Honorable Duncan Hunter
Secretary of Defense
Senate Armed Services Committee
House Armed Services Committee
Legislative Liaison Office, Army Pentagon
DOD, General Counsel
DODIG, Civilian Reprisal Investigations
DOJ, Criminal Division/Fraud Section
Under Secretary of Defense (AT&L)
Secretary of the Army
OSC, Complaints Examining Unit
GAO, FraudNet
US Dept. of Justice, Public Integrity Section
Commander, US Army Materiel Command
Commander, US Army AMCOM, LCMC

TAB F

Lockheed Martin Missiles and Fire Control
P.O. Box 650003 Dallas, TX 75265-0003

Attachment

02

LOCKHEED MARTIN 

3-19210/2005L-5540

August 17, 2005

To: Commander
U. S. Army Aviation and Missile Command
Redstone Arsenal, Alabama 35898-5000

AMSAM-AC-TM-C/[REDACTED]

Contract DAAH01-03-C-0005/HIMARS LRIP I, II & III; Request Change to FAR Clause 52.245-2 Alternate I

- (a) Upcoming Contract W31P4Q-06-C-0001; HIMARS FRP 1
- 1 It has recently come to the attention of Lockheed Martin Corporation, Missiles & Fire Control – Dallas (hereinafter, "Lockheed Martin") that the subject contract FAR Clause 52.245-2 is not the "Alternate I" version. When the subject contract was negotiated, Lockheed Martin did not account for the liability that would result from the potential loss or destruction of, or damage to, Government property provided under this contract. Therefore, to equate the actual risk with the negotiated contract value, we request a change to the "Alternate I" version of FAR Clause 52.245-2.
 2. Lockheed Martin also requests that FAR Clause 52.245-2 Alternate be incorporated in the Reference (a) Model Contract.
 3. Please address any questions to the undersigned at (972) 603-2790, e-mail norman.w.west@lmco.com,

Sincerely,

Norman W. West

Norman W. West
Project Contract Administrator - HIMARS

cc: AMSAM-AC-TM-C/[REDACTED]
AMSAM-AC-TM-C/[REDACTED]
SFAE-MSL-PF-BM-AP/[REDACTED]
SFAE-MSL-PF-BM-AP/[REDACTED]
SFAE-MSL-PF-BM-AP/Ms. [REDACTED]
DCMA [REDACTED]

TAB F

Attachment 03

installation and is subject to accessibility by personnel other than the contractor's employees and that by placing the risk on the contractor, the cost of the contract would be substantially increased.

(c) When justified by the circumstances, the contract may require the contractor to assume greater liability for loss of or damage to Government property than that contemplated by the Government property clauses or the clause at 52.245 8, Liability for the Facilities. For example, this may be the case when the contractor is using Government property primarily for commercial work rather than Government work.

(d) If the Government provides Government property directly to a subcontractor, the terms of paragraph (b) of this section shall apply to the subcontractor.

(e) Subcontractors are liable for loss of or damage to Government property furnished through a prime contractor. However, if the prime contract is of a type listed in paragraph (b)(1) or (2) of this section, the prime contractor may, after obtaining the contracting officer's consent, reduce the subcontractor's liability by including in the subcontract a clause similar to paragraph (g), Limited risk of loss, as provided in Alternate I of the clause at 52.245-2, Government Property (Fixed-Price Contracts), (for fixed-price contracts) or similar to the same paragraph of the clause at 52.245-5, Government Property (Cost-Reimbursement, Time-and-Material, or Labor-Hour Contracts) (for cost-reimbursement contracts). Before consenting to a clause that reduces the subcontractor's liability, the contracting officer should ensure that the Government's interests are sufficiently protected.

(f) A prime contractor that provides Government property to a subcontractor shall not be relieved of any responsibility to the Government that the prime contractor may have under the terms of the prime contract.

45.104 Review and correction of contractors' property control systems.

(a) The review and approval of a contractor's property control system shall be accomplished by the agency responsible for contract administration at a contractor's plant or installation. The review and approval of a contractor's property control system by one agency shall be binding on all other departments and agencies based on interagency agreements.

(b) The contracting officer or the representative assigned the responsibility as property administrator shall review contractors' property control systems to ensure compliance with the Government property clauses of the contract.

(c) The property administrator shall notify the contractor in writing when its property control system does not comply with Subpart 45.5 or other contract requirements and shall request prompt correction of deficiencies. If the contractor does not correct the deficiencies within a reasonable period, the property administrator shall request action by the con-

tracting officer administering the contract. The contracting officer shall—

- (1) Notify the contractor in writing of any required corrections and establish a schedule for completion of actions;
- (2) Caution the contractor that failure to take the required corrective actions within the time specified will result in withholding or withdrawing system approval; and
- (3) Advise the contractor that its liability for loss of or damage to Government property may increase if approval is withheld or withdrawn.

45.105 Records of Government property.

(a) Contractor records of Government property established and maintained under the terms of the contract are the Government's official Government property records. Duplicate official records shall not be furnished to or maintained by Government personnel, except as provided in paragraph (b) of this section.

(b) Contracts may provide for the contracting office to maintain the Government's official Government property records when the contracting office retains contract administration and Government property is furnished to a contractor—

- (1) For repair or servicing and return to the shipping organization;
- (2) For use on a Government installation;
- (3) Under a local support service contract;
- (4) Under a contract with a short performance period; or
- (5) When otherwise determined by the contracting officer to be in the Government's interest.

45.106 Government property clauses.

This section prescribes the principal Government property clauses. Other clauses pertaining to Government property are prescribed in Subpart 45.3.

(a) The contracting officer shall insert the clause at 52.245-1, Property Records, in solicitations and contracts when the conditions in 45.105(b) exist and the Government maintains the Government's official Government property records.

(b)(1) The contracting officer shall insert the clause at 52.245-2, Government Property (Fixed-Price Contracts), in solicitations and contracts when a fixed-price contract is contemplated, except as provided in paragraphs (d) and (e) of this section.

- (2) If the contract is—
 - (i) A negotiated fixed-price contract for which prices are not based on an exception at 15.403-1; or
 - (ii) A fixed-price service contract which is performed primarily on a Government installation, provided the contracting officer determines it to be in the best interest of the Government (see 45.103(b)(4)), the contracting officer shall use the clause with its Alternate I.

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(3) If the contract is for the conduct of basic or applied research at nonprofit institutions of higher education or at nonprofit organizations whose primary purpose is the conduct of scientific research (see 35.014), the contracting officer shall use the clause with its Alternate II.

(c) The contracting officer shall insert the clause at 52.245-3, Identification of Government-Furnished Property, in addition to the clause at 52.245-2, Government Property (Fixed-Price Contracts), in solicitations and contracts when a fixed-price construction contract is contemplated under which the Government is to furnish Government property f.o.b. railroad cars at a specified destination or f.o.b. truck at the project site. The contract Schedule shall specify the point of delivery and may include special terms and conditions covering installation, preparation for operation, or equipment testing by the Government or by another contractor.

(d) The contracting officer may insert the clause at 52.245-4, Government-Furnished Property (Short Form), in solicitations and contracts when a fixed-price, time-and-material, or labor-hour contract is contemplated and the acquisition cost of all Government-furnished property to be involved in the contract is \$100,000 or less; unless a contract

with an educational or nonprofit organization is contemplated.

(e) When the cost of the item to be repaired does not exceed the simplified acquisition threshold, purchase orders for property repair need not include a Government property clause.

(f)(1) The contracting officer shall insert the clause at 52.245-5, Government Property (Cost-Reimbursement, Time-and-Material, or Labor-Hour Contracts), in solicitations and contracts when a cost-reimbursement, time-and-material, or labor-hour contract is contemplated, except as provided in paragraph (d) of this section.

(2) If the contract is for the conduct of basic or applied research at nonprofit institutions of higher education or at nonprofit organizations whose primary purpose is the conduct of scientific research (see 35.014), the contracting officer shall use the clause with its Alternate I.

(g) The contracting officer shall insert the clause at 52.245-6, Liability for Government Property (Demolition Services Contracts), in addition to the clauses prescribed at 37.304, in solicitations and contracts for dismantling, demolition, or removal of improvements.

52.245-1 Property Records.

As prescribed in 45.106(a), insert the following clause in solicitations and contracts when the conditions in 45.105(b) exist and the Government maintains the Government's official Government property records:

PROPERTY RECORDS (APR 1984)

The Government shall maintain the Government's official property records in connection with Government property under this contract. The Government Property clause is hereby modified by deleting the requirement for the Contractor to maintain such records.

(End of clause)

52.245-2 Government Property (Fixed-Price Contracts).

As prescribed in 45.106(b)(1), insert the following clause:

GOVERNMENT PROPERTY (FIXED-PRICE CONTRACTS)
(JUNE 2003)

(a) *Government-furnished property.* (1) The Government shall deliver to the Contractor, for use in connection with and under the terms of this contract, the Government-furnished property described in the Schedule or specifications together with any related data and information that the Contractor may request and is reasonably required for the intended use of the property (hereinafter referred to as "Government-furnished property").

(2) The delivery or performance dates for this contract are based upon the expectation that Government-furnished property suitable for use (except for property furnished "as is") will be delivered to the Contractor at the times stated in the Schedule or, if not so stated, in sufficient time to enable the Contractor to meet the contract's delivery or performance dates.

(3) If Government-furnished property is received by the Contractor in a condition not suitable for the intended use, the Contractor shall, upon receipt of it, notify the Contracting Officer, detailing the facts, and, as directed by the Contracting Officer and at Government expense, either repair, modify, return, or otherwise dispose of the property. After completing the directed action and upon written request of the Contractor, the Contracting Officer shall make an equitable adjustment as provided in paragraph (h) of this clause.

(4) If Government-furnished property is not delivered to the Contractor by the required time, the Contracting Officer shall, upon the Contractor's timely written request, make a determination of the delay, if any, caused the Contractor and shall make an equitable adjustment in accordance with paragraph (h) of this clause.

(b) *Changes in Government-furnished property.* (1) The Contracting Officer may, by written notice, (i) decrease the Government-furnished property provided or to be provided under this contract, or (ii) substitute other Government-

furnished property for the property to be provided by the Government, or to be acquired by the Contractor for the Government, under this contract. The Contractor shall promptly take such action as the Contracting Officer may direct regarding the removal, shipment, or disposal of the property covered by such notice.

(2) Upon the Contractor's written request, the Contracting Officer shall make an equitable adjustment to the contract in accordance with paragraph (h) of this clause, if the Government has agreed in the Schedule to make the property available for performing this contract and there is any—

(i) Decrease or substitution in this property pursuant to paragraph (b)(1) of this clause; or

(ii) Withdrawal of authority to use this property, if provided under any other contract or lease.

(c) *Title in Government property.* (1) The Government shall retain title to all Government-furnished property.

(2) All Government-furnished property and all property acquired by the Contractor, title to which vests in the Government under this paragraph (collectively referred to as "Government property"), are subject to the provisions of this clause. However, special tooling accountable to this contract is subject to the provisions of the Special Tooling clause and is not subject to the provisions of this clause. Title to Government property shall not be affected by its incorporation into or attachment to any property not owned by the Government, nor shall Government property become a fixture or lose its identity as personal property by being attached to any real property.

(3) Title to each item of facilities and special test equipment acquired by the Contractor for the Government under this contract shall pass to and vest in the Government when its use in performing this contract commences or when the Government has paid for it, whichever is earlier, whether or not title previously vested in the Government.

(4) If this contract contains a provision directing the Contractor to purchase material for which the Government will reimburse the Contractor as a direct item of cost under this contract—

(i) Title to material purchased from a vendor shall pass to and vest in the Government upon the vendor's delivery of such material; and

(ii) Title to all other material shall pass to and vest in the Government upon—

(A) Issuance of the material for use in contract performance;

(B) Commencement of processing of the material or its use in contract performance; or

(C) Reimbursement of the cost of the material by the Government, whichever occurs first.

(d) *Use of Government property.* The Government property shall be used only for performing this contract, unless

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otherwise provided in this contract or approved by the Contracting Officer.

(e) *Property administration.* (1) The Contractor shall be responsible and accountable for all Government property provided under this contract and shall comply with Federal Acquisition Regulation (FAR) Subpart 45.5, as in effect on the date of this contract.

(2) The Contractor shall establish and maintain a program for the use, maintenance, repair, protection, and preservation of Government property in accordance with sound industrial practice and the applicable provisions of Subpart 45.5 of the FAR.

(3) If damage occurs to Government property, the risk of which has been assumed by the Government under this contract, the Government shall replace the items or the Contractor shall make such repairs as the Government directs. However, if the Contractor cannot effect such repairs within the time required, the Contractor shall dispose of the property as directed by the Contracting Officer. When any property for which the Government is responsible is replaced or repaired, the Contracting Officer shall make an equitable adjustment in accordance with paragraph (h) of this clause.

(4) The Contractor represents that the contract price does not include any amount for repairs or replacement for which the Government is responsible. Repair or replacement of property for which the Contractor is responsible shall be accomplished by the Contractor at its own expense.

(f) *Access.* The Government and all its designees shall have access at all reasonable times to the premises in which any Government property is located for the purpose of inspecting the Government property.

(g) *Risk of loss.* Unless otherwise provided in this contract, the Contractor assumes the risk of, and shall be responsible for, any loss or destruction of, or damage to, Government property upon its delivery to the Contractor or upon passage of title to the Government under paragraph (c) of this clause. However, the Contractor is not responsible for reasonable wear and tear to Government property or for Government property properly consumed in performing this contract.

(h) *Equitable adjustment.* When this clause specifies an equitable adjustment, it shall be made to any affected contract provision in accordance with the procedures of the Changes clause. When appropriate, the Contracting Officer may initiate an equitable adjustment in favor of the Government. The right to an equitable adjustment shall be the Contractor's exclusive remedy. The Government shall not be liable to suit for breach of contract for—

(1) Any delay in delivery of Government-furnished property;

(2) Delivery of Government-furnished property in a condition not suitable for its intended use;

(3) A decrease in or substitution of Government-furnished property; or

(4) Failure to repair or replace Government property for which the Government is responsible.

(i) *Final accounting and disposition of Government property.* Upon completing this contract, or at such earlier dates as may be fixed by the Contracting Officer, the Contractor shall submit, in a form acceptable to the Contracting Officer, inventory schedules covering all items of Government property (including any resulting scrap) not consumed in performing this contract or delivered to the Government. The Contractor shall prepare for shipment, deliver f.o.b. origin, or dispose of the Government property as may be directed or authorized by the Contracting Officer. The net proceeds of any such disposal shall be credited to the contract price or shall be paid to the Government as the Contracting Officer directs.

(j) *Abandonment and restoration of Contractor's premises.* Unless otherwise provided herein, the Government—

(1) May abandon any Government property in place, at which time all obligations of the Government regarding such abandoned property shall cease; and

(2) Has no obligation to restore or rehabilitate the Contractor's premises under any circumstances (e.g., abandonment, disposition upon completion of need, or upon contract completion). However, if the Government-furnished property (listed in the Schedule or specifications) is withdrawn or is unsuitable for the intended use, or if other Government property is substituted, then the equitable adjustment under paragraph (h) of this clause may properly include restoration or rehabilitation costs.

(k) *Communications.* All communications under this clause shall be in writing.

(l) *Overseas contracts.* If this contract is to be performed outside of the United States and its outlying areas, the words "Government" and "Government-furnished" (wherever they appear in this clause) shall be construed as "United States Government" and "United States Government-furnished," respectively.

(End of clause)

Alternate 1 (Apr 1984). As prescribed in 45.106(b)(2), substitute the following paragraph (g) for paragraph (g) of the basic clause:

(g) *Limited risk of loss.* (1) The term "Contractor's managerial personnel," as used in this paragraph (g), means the Contractor's directors, officers, and any of the Contractor's managers, superintendents, or equivalent representatives who have supervision or direction of—

(i) All or substantially all of the Contractor's business;

(ii) All or substantially all of the Contractor's operation at any one plant or separate location at which the contract is being performed; or

(iii) A separate and complete major industrial operation connected with performing this contract.

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(2) The Contractor shall not be liable for loss or destruction of, or damage to, the Government property provided under this contract (or, if an educational or nonprofit organization, for expenses incidental to such loss, destruction, or damage), except as provided in paragraphs (g)(3) and (g)(4) of this clause.

(3) The Contractor shall be responsible for loss or destruction of, or damage to, the Government property provided under this contract (including expenses incidental to such loss, destruction, or damage)—

(i) That results from a risk expressly required to be insured under this contract, but only to the extent of the insurance required to be purchased and maintained, or to the extent of insurance actually purchased and maintained, whichever is greater;

(ii) That results from a risk that is in fact covered by insurance or for which the Contractor is otherwise reimbursed, but only to the extent of such insurance or reimbursement;

(iii) For which the Contractor is otherwise responsible under the express terms of this contract;

(iv) That results from willful misconduct or lack of good faith on the part of the Contractor's managerial personnel; or

(v) That results from a failure on the part of the Contractor, due to willful misconduct or lack of good faith on the part of the Contractor's managerial personnel, to establish and administer a program or system for the control, use, protection, preservation, maintenance, and repair of Government property as required by paragraph (e) of this clause.

(4)(i) If the Contractor fails to act as provided in subdivision (g)(3)(v) of this clause, after being notified (by certified mail addressed to one of the Contractor's managerial personnel) of the Government's disapproval, withdrawal of approval, or nonacceptance of the system or program, it shall be conclusively presumed that such failure was due to willful misconduct or lack of good faith on the part of the Contractor's managerial personnel.

(ii) In such event, any loss or destruction of, or damage to, the Government property shall be presumed to have resulted from such failure unless the Contractor can establish by clear and convincing evidence that such loss, destruction, or damage—

(A) Did not result from the Contractor's failure to maintain an approved program or system; or

(B) Occurred while an approved program or system was maintained by the Contractor.

(5) If the Contractor transfers Government property to the possession and control of a subcontractor, the transfer shall not affect the liability of the Contractor for loss or destruction of, or damage to, the property as set forth above. However, the Contractor shall require the subcontractor to assume the risk of, and be responsible for, any loss or destruction of, or damage to, the property while in the subcontractor's possession or control, except to the extent that the subcontract, with the advance approval of the Contracting Officer, relieves the subcontractor from such liability. In the absence of such approval, the subcon-

tract shall contain appropriate provisions requiring the return of all Government property in as good condition as when received, except for reasonable wear and tear or for its use in accordance with the provisions of the prime contract.

(6) Upon loss or destruction of, or damage to, Government property provided under this contract, the Contractor shall so notify the Contracting Officer and shall communicate with the loss and salvage organization, if any, designated by the Contracting Officer. With the assistance of any such organization, the Contractor shall take all reasonable action to protect the Government property from further damage, separate the damaged and undamaged Government property, put all the affected Government property in the best possible order, and furnish to the Contracting Officer a statement of—

(i) The lost, destroyed, or damaged Government property;

(ii) The time and origin of the loss, destruction, or damage;

(iii) All known interests in commingled property of which the Government property is a part; and

(iv) The insurance, if any, covering any part of or interest in such commingled property.

(7) The Contractor shall repair, renovate, and take such other action with respect to damaged Government property as the Contracting Officer directs. If the Government property is destroyed or damaged beyond practical repair, or is damaged and so commingled or combined with property of others (including the Contractor's) that separation is impractical, the Contractor may, with the approval of and subject to any conditions imposed by the Contracting Officer, sell such property for the account of the Government. Such sales may be made in order to minimize the loss to the Government, to permit the resumption of business, or to accomplish a similar purpose. The Contractor shall be entitled to an equitable adjustment in the contract price for the expenditures made in performing the obligations under this paragraph (g)(7) in accordance with paragraph (h) of this clause. However, the Government may directly reimburse the loss and salvage organization for any of their charges. The Contracting Officer shall give due regard to the Contractor's liability under this paragraph (g) when making such equitable adjustment.

(8) The Contractor represents that it is not including in the price and agrees it will not hereafter include in any price to the Government any charge or reserve for insurance (including any self-insurance fund or reserve) covering loss or destruction of, or damage to, Government property, except to the extent that the Government may have expressly required the Contractor to carry such insurance under another provision of this contract.

(9) In the event the Contractor is reimbursed or otherwise compensated for any loss or destruction of, or damage to, Government property, the Contractor shall use the proceeds to repair, renovate, or replace the lost, destroyed, or damaged Government property, or shall otherwise credit the proceeds to equitably reimburse the Government, as directed by the Contracting Officer.

(10) The Contractor shall do nothing to prejudice the Government's rights to recover against third parties for any loss

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or destruction of, or damage to, Government property. Upon the request of the Contracting Officer, the Contractor shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including the prosecution of suit and the execution of instruments of assignment in favor of the Government) in obtaining recovery. In addition, where a subcontractor has not been relieved from liability for any loss or destruction of, or damage to, Government property, the Contractor shall enforce for the benefit of the Government the liability of the subcontractor for such loss, destruction, or damage.

Alternate II (June 2003). As prescribed in 45.106(b)(3), substitute the following paragraphs (c) and (g) for paragraphs (c) and (g) of the basic clause:

(c) *Title in Government property.* (1) The Government shall retain title to all Government-furnished property.

(2) All Government-furnished property and all property acquired by the Contractor, title to which vests in the Government under this paragraph (collectively referred to as "Government property"), are subject to the provisions of this clause. Title to Government property shall not be affected by its incorporation into or attachment to any property not owned by the Government, nor shall Government property become a fixture or lose its identity as personal property by being attached to any real property.

(3) Title to each item of facilities, special test equipment, and special tooling (other than that subject to a special tooling clause) acquired by the Contractor for the Government under this contract shall pass to and vest in the Government when its use in performing this contract commences, or when the Government has paid for it, whichever is earlier, whether or not title previously vested in the Government.

(4) Title to equipment (and other tangible personal property) purchased with funds available for research and having an acquisition cost of less than \$5,000 shall vest in the Contractor upon acquisition or as soon thereafter as feasible; provided, that the Contractor obtained the Contracting Officer's approval before each acquisition. Title to equipment purchased with funds available for research and having an acquisition cost of \$5,000 or more shall vest as set forth in the contract. If title to equipment vests in the Contractor under this paragraph (c)(4), the Contractor agrees that no charge will be made to the Government for any depreciation, amortization, or use under any existing or future Government contract or subcontract thereunder. The Contractor shall furnish the Contracting Officer a list of all equipment to which title is vested in the Contractor under this paragraph (c)(4) within 10 days following the end of the calendar quarter during which it was received.

(5) Vesting title under this paragraph (c) is subject to civil rights legislation, 42 U.S.C. 2000d. Before title is vested and by signing this contract, the Contractor accepts and agrees that—

"No person in the United States or its outlying areas shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to

discrimination under this contemplated financial assistance (title to equipment)."

(g) *Limited risk of loss.* (1) The term "Contractor's managerial personnel", as used in this paragraph (g), means the Contractor's directors, officers, and any of the Contractor's managers, superintendents, or equivalent representatives who have supervision or direction of—

(i) All or substantially all of the Contractor's business;

(ii) All or substantially all of the Contractor's operation at any one plant, laboratory, or separate location at which the contract is being performed; or

(iii) A separate and complete major industrial operation connected with performing this contract.

(2) The Contractor shall not be liable for loss or destruction of, or damage to, the Government property provided under this contract (or, if an educational or nonprofit organization, for expenses incidental to such loss, destruction, or damage), except as provided in paragraphs (g)(3) and (g)(4) of this clause.

(3) The contractor shall be responsible for loss or destruction of, or damage to, the Government property provided under this contract (including expenses incidental to such loss, destruction, or damage)—

(i) That results from a risk expressly required to be insured under this contract, but only to the extent of the insurance required to be purchased and maintained, or to the extent of insurance actually purchased and maintained, whichever is greater;

(ii) That results from a risk which is in fact covered by insurance or for which the Contractor is otherwise reimbursed, but only to the extent of such insurance or reimbursement;

(iii) For which the Contractor is otherwise responsible under the express terms of this contract;

(iv) That results from willful misconduct or lack of good faith on the part of the Contractor's managerial personnel; or

(v) That results from a failure on the part of the Contractor, due to willful misconduct or lack of good faith on the part of the Contractor's managerial personnel, to establish and administer a program or system for the control, use, protection, preservation, maintenance, and repair of Government property as required by paragraph (e) of this clause.

(4)(i) If the Contractor fails to act as provided in subdivision (g)(3)(v) of this clause, after being notified (by certified mail addressed to one of the Contractor's managerial personnel) of the Government's disapproval, withdrawal of approval, or nonacceptance of the system or program, it shall be conclusively presumed that such failure was due to willful misconduct or lack of good faith on the part of the Contractor's managerial personnel.

(ii) Furthermore, any loss or destruction of, or damage to, the Government property shall be presumed to have

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Attachment 01

AWARD/CONTRACT		1. This Contract Is A Rated Order Under DPAS (15 CFR 700) ▶	Rating <small>DOA2</small>	Page 1 Of 1
2. Contract (Proc. Inst. Ident) No. DAAH01-03-C-0005		3. Effective Date 2002DEC20	4. Requisition/Purchase Request/Project No. SEE SCHEDULE	
5. Issued By US ARMY AVIATION & MISSILE COMMAND AMSAM-AC-TM-B DEON DAVIS (256) 876-8988 REDSTONE ARSENAL AL 35898-5280 WEAPON SYSTEM: MLRS e-mail address: DEON.DAVIS@REDSTONE.ARMY.MIL		Code W31P4Q	6. Administered By (If Other Than Item 5) DCMA DALLAS 600 NORTH PEARL STREET SUITE 1630 DALLAS TX 75201-2843 SCD A PAS NONE ADP PT HQ0339	
7. Name And Address Of Contractor (No. Street, City, County, State, And Zip Code) LOCKHEED MARTIN CORPORATION 1701 W. MARSHALL DRIVE GRAND PRAIRIE, TX 75051-2704 TYPE BUSINESS: Large Business Performing in U.S		8. Delivery <input type="checkbox"/> FOB Origin		9. Discount For Prompt Payment
Code 64059 Facility Code		10. Submit Invoices (4 Copies Unless Otherwise Specified) ▶		Item 12
11. Ship To/Mark For SEE SCHEDULE		Code		Code HQ0339
13. Authority For Using Other Than Full And Open Competition: <input checked="" type="checkbox"/> 10 U.S.C. 2304(c)(1)) <input type="checkbox"/> 41 U.S.C. 253(c)		14. Accounting And Appropriation Data SEE SECTION G		
15A. Item No. SEE SCHEDULE	15B. Schedule Of Supplies/Services CONTRACT TYPE: Firm-Fixed-Price Cost-Plus-Fixed-Fee	15C. Quantity	15D. Unit	15E. Unit Price
Contract Expiration Date: 2007FEB28		15G. Total Amount Of Contract ▶		\$311,138,293.09

(X)	Section	Description	Page(s)	(X)	Section	Description	Page(s)
Part I - The Schedule				Part II - Contract Clauses			
X	A	Solicitation/Contract Form	1	X	I	Contract Clauses	90
X	B	Supplies or Services and Prices/Costs	31	Part III - List Of Documents, Exhibits, And Other Attachments			
X	C	Description/Specs./Work Statement	71	X	J	List of Attachments	112
X	D	Packaging and Marking	72	Part IV - Representations And Instructions			
X	E	Inspection and Acceptance	73	K	Representations, Certifications, and Other Statements of Offerors		
X	F	Deliveries or Performance	77				
X	G	Contract Administration Data	78	L	Instrs., Conds., and Notices to Offerors		
X	H	Special Contract Requirements	82	M	Evaluation Factors for Award		

Contracting Officer Will Complete Item 17 Or 18 As Applicable

17. <input type="checkbox"/> Contractor's Negotiated Agreement (Contractor is required to sign this document and return _____ copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)		18. <input checked="" type="checkbox"/> Award (Contractor is not required to sign this document.) Your offer on Solicitation Number _____ including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.	
19A. Name And Title Of Signer (Type Or Print)		20A. Name Of Contracting Officer	
19B. Name of Contractor	19c. Date Signed	20B. United States Of America	20C. Date Signed
By _____ (Signature of person authorized to sign)		By <u>SIGNED REPRINT</u> (Signature of Contracting Officer)	

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CONTINUATION SHEET

Reference No. of Document Being Continued
 PIIN/SIIN DAAH01-03-C-0005 MOD/AMD

Page 36 of 113
 REPRINT

Name of Offeror or Contractor: LOCKHEED MARTIN CORPORATION

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0003AB	<p>LRIP 1 HIMARS LAUNCHERS -MARINES FY03 OPTION</p> <p>CLIN CONTRACT TYPE: Firm-Fixed-Price</p> <p>NOUN: LAUNCHER,ROCKET,HIGHLY MOBILE PRON: T1332051T1 PRON AMD: 12 ACRN: AC CUSTOMER ORDER NO: M9545003MP32051</p> <p>Low Rate Initial Production (LRIP 1) HIMARS Launchers (US MARINES FY03 OPTION) 1AW ATTACHMENT 001, HIMARS SOW, Paragraphs 2.1.2 and 5.1</p> <p>(End of narrative C001)</p> <p><u>Packaging and Marking</u></p> <p><u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin</p> <p><u>Deliveries or Performance</u> DOC SUPPL REL_CD MILSTRIP ADDR SIG_CD MARK FOR TP_CD 001 M95450032051 W44Q08 M MARCOR 3 DEL_REL_CD QUANTITY DEL_DATE 001 1 31-MAY-2004 002 1 30-JUN-2004</p> <p>POB POINT: Destination</p> <p>SHIP TO: <u>PARCEL POST ADDRESS</u> (W44Q08) XU W6CS POST TRANS DIST POINT BLDG 2243 HIRSCH RD FT SILL OK 73503-5100</p> <p>MARK FOR: *</p>	2	EA	\$ 3,176,046.180	\$ 6,352,092.36
0004	<p>HIMARS SPARE PARTS</p> <p>NSN: 1111-11-111-1111 FSCM: 11111 PART NR: N/A SECURITY CLASS: Unclassified</p>				
0004AA	<p>HIMARS INITIAL SPARES (US ARMY FY03)</p> <p>CLIN CONTRACT TYPE: Firm-Fixed-Price</p>	1	LO	\$ ** N/A **	\$ 1,755,908.33

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CONTINUATION SHEET

Reference No. of Document Being Continued
 PIIN/SHN DAAH01-03-C-0005 MOD/AMD

Page 37 of 113
 REPRINT

Name of Offeror or Contractor: LOCKHEED MARTIN CORPORATION

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
	<p>NOUN: HIMARS INITIAL SPARES PRON: PF3HIME559 PRON AMD: 06 ACRN: AA AMS CD: 22306295012</p> <p>HIMARS INITIAL SPARES IAW ATTACHMENT 001, HIMARS SOW, Paragraph 11.0, and ATTACHMENT 006, INITIAL SPARES LISTING.</p> <p>(End of narrative C001)</p> <p><u>Packaging and Marking</u></p> <p><u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin</p> <p><u>Deliveries or Performance</u> DOC SUPPL REL CD MILSTRIP ADDR SIG_CD MARK FOR TP_CD 001 W80FLR3084EF01 CL0005 M 2 DEL REL_CD QUANTITY DEL DATE 001 1 30-JUN-2004</p> <p>FOB POINT: Origin</p> <p>SHIP TO: <u>PARCEL POST ADDRESS</u> (CL0005) XU LOCKHEED MARTIN CORP 1701 W MARSHALL DR GRAND PRAIRIE TX 75051-2704</p>				
0004AB	<p><u>ROTABLE SPARES (FY03 OPTION)</u></p> <p><u>CLIN CONTRACT TYPE:</u> Firm-Fixed-Price</p> <p>NOUN: HIMARS ROTABLE SPARES PRON: PF3HIME759 PRON AMD: 06 ACRN: AA AMS CD: 22306295012</p> <p>ROTABLE SPARES TO SUPPORT HIMARS PRODUCTION LINES (FY03 OPTION) pursuant to the Special Provision set forth at <u>SECTION H-17</u>, and IAW the listing at ATTACHMENT 007, ROTABLE SPARES LISTING.</p> <p>(End of narrative C001)</p> <p><u>Packaging and Marking</u></p> <p><u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin</p>	1	LO	\$ ** N/A **	\$ 132,172.35

TAB F

CONTINUATION SHEET

Reference No. of Document Being Continued
 PIIN/SHN DAAH01-03-C-0005 MOD/AMD

Page 67 of 113
 REPRINT

Name of Offeror or Contractor: LOCKHEED MARTIN CORPORATION

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
	NOUN: PRODUCT SUPPORT PRON: PF5HIMF859 PRON AMD: 01 ACRN: AJ AMS CD: 22306200015 <u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin <u>Deliveries or Performance</u> DLVR SCH PERF COMPL <u>REL CD QUANTITY DATE</u> 001 1 28-DEC-2007 \$ 112,648.00				
	<u>SUPPORT EQUIPMENT-LRIP III</u>	1	LO		\$ 32,529.00
	CLIN CONTRACT TYPE: Firm-Fixed-Price NOUN: SERVICES - FFP PRON: PF5HIMF859 PRON AMD: 02 ACRN: AJ AMS CD: 22306200015 <u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin <u>Deliveries or Performance</u> DLVR SCH PERF COMPL <u>REL CD QUANTITY DATE</u> 001 1 01-JUL-2006 \$ 32,529.00				
0213	NSN: 1111-11-111-1111 SECURITY CLASS: Unclassified <u>OPTION - 13 EACH FOR UNITED KINGDOM</u>	13	EA	\$ 675,560,542.00	\$ 8,782,267.05
	NOUN: UK FIRE CONTROL SYSTEMS PRON: W95EA50059 PRON AMD: 04 ACRN: AL AMS CD: 22306100014 <u>Packaging and Marking</u> <u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin				

TAB F

CONTINUATION SHEET

Reference No. of Document Being Continued
 PIIN/SHN DAAH01-03-C-0005 MOD/AMD

Page 68 of 113
 REPRINT

Name of Offeror or Contractor: LOCKHEED MARTIN CORPORATION

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
	<p><u>Deliveries or Performance</u> DOC SUPPL REL CD MILSTRIP ADDR SIG CD MARK FOR TP CD 001 W800XP5042PF01 CLOP7P K 2 PROJ CD BRK BLK PT GGF DEL REL CD QUANTITY DEL DATE 001 4 28-FEB-2006 002 4 31-MAR-2006 003 4 30-APR-2006 004 1 31-MAY-2006</p> <p>FOR POINT: Origin</p> <p>SHIP TO: <u>PARCEL POST ADDRESS</u> (CLOP7P) XR LOCKHEED MARTN CORP MISSILES AND FIRE CONTROL DALLAS HIGHLAND INDUSTRIAL PARK HWY 274 CAMDEN AR 71701-0001</p>				
0213AB	<p>OPTION-2 EACH FCS FOR UNITED KINGDOM</p> <p>NOUN: UK FIRE CONTROL SYSTEMS (2) PRON: W95EA80159 PRON AMD: 03 ACRN: AL AMS CD: 22306100014</p> <p><u>Packaging and Marking</u></p> <p><u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin</p> <p><u>Deliveries or Performance</u> DOC SUPPL REL CD MILSTRIP ADDR SIG CD MARK FOR TP CD 001 W800XP5059PF08 CLOP7P M 2 PROJ CD BRK BLK PT GGF DEL REL CD QUANTITY DEL DATE 001 2 31-MAY-2006</p> <p>FOR POINT: Origin</p> <p>SHIP TO: <u>PARCEL POST ADDRESS</u> (CLOP7P) XR LOCKHEED MARTN CORP MISSILES AND FIRE CONTROL DALLAS HIGHLAND INDUSTRIAL PARK HWY 274 CAMDEN AR 71701-0001</p>	2	EA	\$ 675,560.54200	\$ 1,351,121.08

TAB F

MEMORANDUM FOR OFFICE OF SPECIAL COUNSEL, DISCLOSURE UNIT,
1730 M STREET, NW SUITE 300, WASHINGTON, DC 20036-4505.

Subject: Re: DI-00-1499, The covert and fraudulent inflation of firm fixed price (FFP), contract prices by perfidious PMO and PCO government officials to the sole benefit of the contractor. This memorandum provides additional evidence, documentation, and follow-up to previous complaints of gross mismanagement and systemic fraud concerning the illicit and fraudulent acts of government officials and LMMFC contractor personnel. This additional complaint concerns a **\$1,381,627.00** increase to a firm fixed price contract line item (CLIN) 0001AA for the acquisition of 21 each Improved Fire Control System (IFCS) Kits under Low Rate Production (LRIP) contract DAAH01-98-C-0138 by perfidious members of the MLRS, Project Manager's Office (PMO) and the Procuring Contracting Officer (PCO). This alleged fraud involves the improper increase of a previously awarded and firm fixed priced contract CLIN (0001AA), under the fraudulent guise that modification number P00002 (executed by the undersigned), to the contract under funded CLIN 0001AA at the time of its award.

Background: PCO, and MLRS, PMO fraudulently increased a previously awarded fixed priced contract CLIN 0001AA under the guise that modification number P00002 to the contract under funded it at the time of its award. CLIN 0001AA was awarded and fully funded at the total negotiated FFP of \$20,126,739.00. Modification number P00030, paragraph A-1 (2), to contract DAAH01-98-C-0138 covertly, deceitfully, and fraudulently added \$1,716,905.12 to the total FFP price of CLIN 0001AA under the guise that 0001AA and 0006 were under funded by modification P00002. Modification number P00002 to the contract was awarded almost two years prior to the award P00030. Neither CLINs 0001AA or 0006 were addressed in modification P00002. Modification P00002 in no way effected the funding for CLIN 0001AA or 0006. Nor did any other identifiable modification under the contract decrease the previously fully funded total negotiated FFP of \$20,126,739.00 for CLIN 0001AA. A list of alleged Government conspirators who may have participated in this fraudulent scheme is as follows:

Carlos Kingston, MLRS, PMO
David Roden, MLRS, PMO
Kathleen James, PCO
David Salinas, PCO
Colleen Rodriguez, PCO
Emily Springer, Contract specialist

TAB F

Additional Supporting Data:

Attachment 01: Modification number P00030, paragraph A-1 (2), to contract DAAH01-98-C-0138 which covertly and deceitfully added \$1,716,905.12 to the total FFP price of CLIN 0001AA under the guise that 0001AA and 0006 were under funded by modification P00002. Modification P00002 did not effect the funding for CLIN 0001AA or 0006 nor were the CLINs even addressed by the modification.

Attachment 02: Excerpts of modification number P00002, which clearly shows no relationship to the award or funding of CLIN 0001AA or 0006.

Attachment 03: Excerpts of basic award document for contract DAAH01-98-C-0138 that clearly shows CLIN 0001AA was awarded and fully funded at the total negotiated FFP of \$20,126,739.00.

Attachment 04: LMMFC-D Confirmation of Negotiations letter dated, 30 Jun 98, enclosure (1), that confirms the negotiated FFP for CLIN 0001AA of \$20,126,739.00.

Attachment 05: LMMFC-D Certificate of Current Cost or Pricing Data dated, 30 Jun 98 that would further serve to verify the submission of a false claim for payment by LMMFC for any amount over and above the FFP CLIN amount of \$20,126,739.00 for 0001AA.

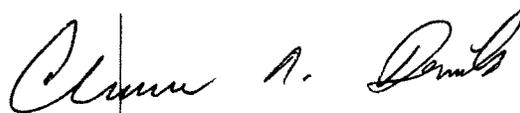
Attachment 06: DD Form 250 dated, 19 Jun 02, submitted by LMMFC for partial payment of the covertly and fraudulently inflated costs under CLIN 0001AA.

Attachment 07: Revised List of Allegations dated, 28 Aug 02.

Conclusion: The perfidious members of the MLRS, PMO and the PCO offices who are covertly conspiring with the contractor and aiding and abetting these illegal and costly fraudulent schemes and ruses at the U.S. Army's and taxpayer's expense must be exposed and dealt with according to the law. The combined cost to the U.S. Army and taxpayers for all these reprehensible fraudulent schemes and ruses may well exceed \$100 million.

Your office's immediate action is requested. Questions or/and comments concerning the content or any supporting documents referenced or inferred in this memorandum should be addressed to the undersigned at (256) 876-8980 (work) or (256) 830-1967 (home).

Attachments



Clarence N. Daniels
Contract Specialist

PBF

MEMORANDUM FOR OFFICE OF SPECIAL COUNSEL, DISCLOSURE UNIT,
1730 M STREET, NW SUITE 300, WASHINGTON, DC 20036-4505.

Subject: *Re: DI-00-1499*, The covert and fraudulent inflation of firm fixed price (FFP), contract prices by perfidious PMO and PCO government officials to the sole benefit of the contractor. This memorandum provides additional evidence, documentation, and follow-up to previous complaints of gross mismanagement and **systemic fraud** concerning the illicit and fraudulent acts of government officials and LMMFC contractor personnel. This additional complaint concerns a **\$1,583,035.29** increase to firm fixed price contract line item (CLIN) 0006 for the acquisition of 24 each Improved Launcher Mechanical System (ILMS) Kits under Low Rate Production (LRIP) contract DAAH01-98-C-0138 by perfidious members of the MLRS, Project Manager's Office (PMO) and the Procuring Contracting Officer (PCO). This alleged fraud involves the improper increase of a previously awarded and firm fixed priced contract CLIN (0006), under the fraudulent guise that modification number P00002 (executed by the undersigned), to the contract, under funded CLIN 0006 at the time of its award.

Background: PCO, and MLRS, PMO fraudulently increased a previously awarded fixed priced contract CLIN 0006 under the fraudulent guise that modification number P00002 to the contract under funded it at the time of its award. CLIN 0006 was awarded on modification number **P00004** to the contract and fully funded at the total negotiated FFP of \$23,001,988.00. Modification number P00030, paragraph A-1 (2), to contract DAAH01-98-C-0138 covertly, deceitfully, and fraudulently added \$1,962,177.29 to the total FFP price of CLIN 0006 under the fraudulent guise that 0001AA and 0006 were under funded by modification P00002. Modifications P00002 and **P00004** to the contract were awarded almost two years prior to the award P00030. Neither CLINs 0001AA or 0006 were addressed in modification P00002. Modification P00002 in no way effected the funding for CLIN 0001AA or 0006. Nor did any other identifiable modification under the contract *decrease* the previously fully funded total negotiated FFP of \$23,001,988.00 for CLIN 0006. A list of alleged Government conspirators who may have participated in this fraudulent scheme is as follows:

Carlos Kingston, MLRS, PMO
David Roden, MLRS, PMO
Kathleen James, PCO
David Salinas, PCO
Colleen Rodriguez, PCO
Emily Springer, Contract specialist

AD E

Additional Supporting Data:

Attachment 01: Modification number P00030, paragraph A-1 (2), to contract DAAH01-98-C-0138 which covertly and deceitfully added \$1,962,177.29 to the total FFP price of CLIN 0006 under the guise that 0001AA and 0006 were under funded by modification P00002. Modification P00002 did not effect the funding for CLIN 0001AA or 0006 nor were the CLINs even addressed by the modification. *(previously furnished)*

Attachment 02: Excerpts of modification number P00002, which clearly shows no relationship to the award or funding of CLIN 0001AA or 0006. *(previously furnished)*

Attachment 03: Excerpts of modification P00004 to contract DAAH01-98-C-0138 that clearly shows CLIN 0006 was awarded and fully funded at the total negotiated FFP of \$23,001,988.00

Attachment 04: LMMFC-D Confirmation of Negotiations letter dated, 30 Jun 98, enclosure (1), that confirms the negotiated FFP for CLIN 0006 of \$23,001,988.00. *(previously furnished)*

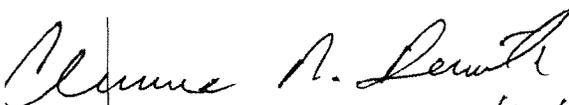
Attachment 05: LMMFC-D Certificate of Current Cost or Pricing Data dated, 30 Jun 98 that would further serve to verify the submission of a false claim for payment by LMMFC for any amount over and above the FFP CLIN amount of \$23,001,988.00. *(previously furnished)*

Attachment 06: Revised List of Allegations dated, 28 Aug 02. *(previously furnished)*

Conclusion: The perfidious members of the MLRS, PMO and the PCO office who are covertly conspiring with the contractor and aiding and abetting these illegal and costly fraudulent schemes and ruses at the U.S. Army's and taxpayer's expense must be exposed and dealt with according to the law. The combined cost to the U.S. Army and taxpayers for all these reprehensible fraudulent schemes, contract mischarges, and ruses may well exceed \$100 million.

Your office's immediate action is requested. Questions or/and comments concerning the content or any supporting documents referenced or inferred in this memorandum should be addressed to the undersigned at (256) 876-8980 (work) or (256) 830-1967 (home).

Attachments


Clarence N. Daniels
Contract Specialist
08/30/02

TAB F

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. Contract ID Code
Firm-Fixed-Price

Page 1 Of 6

2. Amendment/Modification No.

P00004

3. Effective Date

24 NOV 1998

4. Requisition/Purchase Req No.

SEE SCHEDULE

5. Project No. (If applicable)

6. Issued By

US ARMY AVIATION & MISSILE COMMAND
AMSAM-AC-TM-C
MS COLLEEN RODRIGUEZ (256) 876-734
REDSTONE ARSENAL AL 35898-5280

EMAIL: CRODRIG@REDSTONE.ARMY.MIL

Code

W31P4Q

7. Administered By (If other than Item 6)

DCMC LOCKHEED MARTIN VOUGHT SY;
P O BOX 650003 PT-03
DALLAS TX 75265-0003

Code

S4420

SCD C

PAS NONE

ADP PT SC1002

8. Name And Address Of Contractor (No., Street, City, County, State and Zip Code)

LOCKHEED MARTIN VOUGHT SYSTEMS
1701 W MARSHALL DR
GRAND PRAIRIE TX 75051-0003

TYPE BUSINESS: Large Business Performing in U.S

Code 64059

Facility Code

9A. Amendment Of Solicitation No.

9B. Dated (See Item 11)

10A. Modification Of Contract/Order No.

DAAH01-98-C-0138

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 _____ copies of the amendments; (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 ACKNOWLEDGMENT 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)

ACRN: AE NET INCREASE: \$42,483,860.00

13. THIS ITEM ONLY APPLIES TO MODIFICATIONS OF CONTRACTS/ORDERS

KIND MOD CODE: 6

It Modifies The Contract/Order No. As Described In Item 14.

A. This Change Order is Issued Pursuant To: The Contract/Order No. In Item 10A. The Changes Set Forth In Item 14 Are Made In

B. The Above Numbered Contract/Order Is Modified To Reflect The Administrative Changes (such as changes in paying office, appropriation data, etc.) Set Forth In Item 14, Pursuant To The Authority of FAR 43.103(b).

C. This Supplemental Agreement Is Entered Into Pursuant To Authority Of:

D. Other (Specify type of modification and authority) Exercise Option IAW Paragraph H-1 "Options"

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 SECOND PAGE FOR DESCRIPTION

Except as provided herein, all terms and conditions of the document referenced in item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. Name And Title Of Signer (Type or print)

16A. Name And Title Of Contracting Officer (Type or print)

JAMES E. BRANNON
CONTRACTING OFFICER

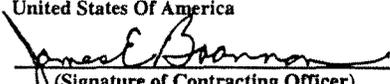
15B. Contractor/Offoror

15C. Date Signed

16B. United States Of America

16C. Date Signed

(Signature of person authorized to sign)

By  (Signature of Contracting Officer)

24 Nov 98

NSN 7540-01-152-8070

30-105-02

STANDARD FORM 30 (REV. 10-83)

PREVIOUS EDITIONS UNUSABLE

Prescribed by GSA FAR (48 CFR) 53.243

- 1 AB F

CONTINUATION SHEET

Reference No. of Document Being Continued

Page 2 of 6

PIIN/SIIN DAAH01-98-C-0138

MOD/AMD P00004

Name of Offeror or Contractor: LOCKHEED MARTIN VOUGHT SYSTEMS

SECTION A - SUPPLEMENTAL INFORMATION

A-1 THE PURPOSE OF THIS MODIFICATION IS TO EXERCISE THE OPTION FOR CLINS 0006, 0007 AND 1020AB AS SHOWN ON THE ATTACHED PAGES IAW PARAGRAPH H-1 ENTITLED "OPTIONS".

A-2 THE TOTAL AMOUNT OF THE CONTRACT IS INCREASED BY \$42,483,860 FROM \$75,868,350.03 TO \$118,352,210.03

A-3 THIS MODIFICATION CONSTITUTES COMPLETE FULL AND FINAL SETTLEMENT OF THE CHANGES CONTAINED HEREIN. THE CONTRACTOR HEREBY RELEASES THE GOVERNMENT FROM ANY AND ALL LIABILITY UNDER THE CONTRACT FOR FURTHER EQUITABLE ADJUSTMENTS ATTRIBUTABLE TO SUCH FACTS OR CIRCUMSTANCES GIVING RISE TO THE CHANGES CONTAINED HEREIN.

*** END OF NARRATIVE A004 ***

TAB F

CONTINUATION SHEET

Reference No. of Document Being Continued
 PIIN/SIIN DAAH01-98-C-0138 MOD/AMD P00004

Page 3 of 6

Name of Offeror or Contractor: LOCKHEED MARTIN VOUGHT SYSTEMS

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
7000	<p>SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS</p> <p><u>Supplies or Services and Prices/Costs</u></p> <p>FY-99 OPTION - IECS KITS</p> <p>NOUN: M270A1 FY99 KITSEFC01I SECURITY CLASS: Unclassified PRON: A19EF12359 PRON AMD: 01 ACRN: AE AMS CD: 22306106</p> <p><u>Packaging and Marking</u> PACKAGING/PACKING/SPECIFICATIONS: SEE SECTION D LEVEL PROTECTION: C LEVEL PACK: C</p> <p><u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin</p> <p><u>Deliveries or Performance</u> DOC SUPPL REL CD MILSTRIP ADDR SIG_CD MARK FOR TP_CD 001 000000 0 DEL_REL_CD QUANTITY DEL_DATE 001 24 30-NOV-2001</p> <p>FOB POINT: Origin</p> <p>SHIP TO: <u>FREIGHT ADDRESS</u> (W45G19) TRANS OFF RED RIVER ARMY DEPOT TEXARKANA TX 75507-5000 DEFENSE TX SPLC 661157 M/F AS APPROPRIATE</p>	24	KT	\$ 958,416.16666	\$ 23,001,988.00
0007	<p><u>Supplies or Services and Prices/Costs</u></p> <p>FY-99 - OPTION IIMS KITS</p> <p>NOUN: M270A1 FY99 KITSEFC01I SECURITY CLASS: Unclassified PRON: A19EF12359 PRON AMD: 01 ACRN: AE AMS CD: 22306106</p> <p><u>Packaging and Marking</u> PACKAGING/PACKING/SPECIFICATIONS: SEE SECTION D LEVEL PROTECTION: C LEVEL PACK: C</p> <p><u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin</p> <p><u>Deliveries or Performance</u> DOC SUPPL REL CD MILSTRIP ADDR SIG_CD MARK FOR TP_CD 001 000000 0 DEL_REL_CD QUANTITY DEL_DATE 001 24 30-NOV-2001</p>	24	KT	\$ 480,758.25000	\$ 11,538,198.00

TAB F

CONTINUATION SHEET

Reference No. of Document Being Continued
 PIIN/SIIN DAH01-98-C-0138 MOD/AMD P00004

Name of Offeror or Contractor: LOCKHEED MARTIN VOUGHT SYSTEMS

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT						
1020AB	<p>FOB POINT: Origin</p> <p>SHIP TO: <u>FREIGHT ADDRESS</u> (Y00000) SHIPPING INSTRUCTIONS FOR CONSIGNEE (SHIP TO) WILL BE FURNISHED PRIOR TO THE SCHEDULED DELIVERY DATE FOR ITEMS REQUIRED UNDER THIS REQUISITION.</p> <p><u>FY-99 PROGRAM SUPPORT</u></p> <p>NOUN: M270A1 FY99 KITSEFC01I SECURITY CLASS: Unclassified PRON: A19EF12359 PRON AMD: 01 ACRN: AE AMS CD: 22306106</p> <p><u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin</p> <p><u>Deliveries or Performance</u></p> <table border="0"> <tr> <td>DLVR SCH</td> <td>PERF COMPL</td> </tr> <tr> <td><u>REL CD</u></td> <td><u>QUANTITY</u> <u>DATE</u></td> </tr> <tr> <td>001</td> <td>1 30-APR-2000</td> </tr> </table> <p style="text-align: right;">\$ 7,943,674.00</p>	DLVR SCH	PERF COMPL	<u>REL CD</u>	<u>QUANTITY</u> <u>DATE</u>	001	1 30-APR-2000	1	LO	\$ _____	\$ 7,943,674.00
DLVR SCH	PERF COMPL										
<u>REL CD</u>	<u>QUANTITY</u> <u>DATE</u>										
001	1 30-APR-2000										

TAB F

CONTINUATION SHEET

Reference No. of Document Being Continued

Page 5 of 6

PIIN/SIIN DAAH01-98-C-0138

MOD/AMD P00004

Name of Offeror or Contractor: LOCKHEED MARTIN VOUGHT SYSTEMS

B-1 ESTIMATED COST, FIXED-FEE AND PAYMENT (CLIN 1020AB)

IN CONSIDERATION FOR ITS UNDERTAKINGS UNDER THIS CONTRACT, THE GOVERNMENT SHALL PAY TO THE CONTRACTOR THE COST THEREOF DETERMINED BY THE CONTRACTING OFFICER TO BE ALLOWABLE SUBJECT TO THE PROVISIONS OF THE CLAUSE ENTITLED "ALLOWABLE COST AND PAYMENT" OF THE GENERAL PROVISIONS OF THIS CONTRACT.

A. IT IS ESTIMATED THAT THE TOTAL COST OF THE WORK REQUIRED TO BE PERFORMED UNDER THIS CLIN IS \$7,357,995 (EXCLUSIVE OF FEE).

B. FOR PERFORMANCE OF THE WORK REQUIRED BY THIS CONTRACT, THE GOVERNMENT SHALL PAY TO THE CONTRACTOR A FIXED-FEE IN THE AMOUNT OF \$585,679 SUBJECT TO THE PROVISIONS OF THE CLAUSE ENTITLED "FIXED-FEE" OF THE GENERAL PROVISIONS OF THIS CONTRACT. SUCH FEE SHALL BE PAID AS IT ACCRUES IN MONTHLY INSTALLMENTS, EACH INSTALLMENT, THUS PAYABLE, SHALL BE PAID IN AN AMOUNT WHICH WILL BEAR THE SAME PRORATION TO THE TOTAL AMOUNT OF FIXED-FEE AS THE PAYMENT ON ACCOUNT OF THE ALLOWABLE COST BEARS TO THE TOTAL ESTIMATED COST OF THE PERFORMANCE OF THIS CONTRACT.

C. INDIRECT COSTS: INTERIM REIMBURSABLE FOR INDIRECT COSTS SHALL BE ON THE BASIS OF THE BILLING RATES AS AGREED UPON BETWEEN THE CONTRACTOR AND THE COGNIZANT ADMINISTRATIVE CONTRACTING OFFICER. FINAL RATES WILL BE DETERMINED BY AUDIT.

	<u>CLIN 1020AB</u>
ESTIMATED COST	\$7,357,995
FIXED-FEE	\$ 585,679
TOTAL AMOUNT ALLOTTED	\$7,943,674

*** END OF NARRATIVE B001 ***

TAB F

CONTINUATION SHEET

Reference No. of Document Being Continued

Page 6 of 6

PIIN/SIIN DAAH01-98-C-0138

MOD/AMD P00004

Name of Offeror or Contractor: LOCKHEED MARTIN VOUGHT SYSTEMS

SECTION G - CONTRACT ADMINISTRATION DATA

LINE ITEM	PRON/ AMSCD	ACRN	OBLG STAT/ JOB ORD NO	PRIOR AMOUNT	INCREASE/DECREASE AMOUNT	CUMULATIVE AMOUNT
0006	A19EF12359 22306106	AE	1 97NLCH	0.00 \$	23,001,988.00	23,001,988.00
0007	A19EF12359 22306106	AE	1 97NLCH	0.00 \$	11,538,198.00	11,538,198.00
1020AB	A19EF12359 22306106	AE	1 97NLCH	0.00 \$	7,943,674.00	7,943,674.00
				NET CHANGE	\$ 42,483,860.00	

SERVICE NAME	NET CHANGE BY ACRN	ACCOUNTING CLASSIFICATION	ACCOUNTING STATION	INCREASE/DECREASE AMOUNT
Army	AE	21 92032000095LSL06P2230612520	S01021	\$ 42,483,860.00
				NET CHANGE \$ 42,483,860.00

	PRIOR AMOUNT OF AWARD	INCREASE/DECREASE AMOUNT	CUMULATIVE OBLIG AMT
NET CHANGE FOR AWARD	\$ 75,868,350.03	\$ 42,483,860.00	\$ 118,352,210.03

TAB F

CONTRACT MODIFICATION REGISTER

CONTRACT NO. DAAH01-98-C-0138

\$ 63,000,000

Mod Nr	Date Assigned/Issued	Description	Dollar Amount (Incr or Decr)	TOTAL CONTR \$ AMOUNT
P00001	14 Sep 98	Exercise Option ie Reman. debt.	# 009AA4 009AB 3,483,698 -	# 66,483,698
P00002	29 Sep 98	Exercise Option IFCS/ILMS Spares	\$ 9,384,652 ⁰³	# 75,868,350
P00003	29 Sep 98	Transfer of funds	-	
P00004	24 Nov 98	Exercise Option IFCS/ILMS Spares	\$ 42,483,860 -	# 118,352,210
A00001	05 Nov 98	ACO clause Revision	-	-
P00005	25 Feb 99	Contract Clarifications	-(#57,870)	# 118,294,340
P00006	23 Mar 99	Extend Period of Perf.	-	
P00007	06 Apr 99	Transfer Prop.	-	-
P00008	12 Apr 99	Mod 10A1 Cable Assembly	\$ 34,067.45	# 118,328,407
P00009	26 Apr 99	Exercise Option Clin 0008	\$ 3,262,698.00	# 121,591,105
P00010	30 Jun 99	EPCard Part A	\$ 4,018,410.00	# 125,609,515
P00011	30 Jun 99	Version Charlie Weapon Simulator	\$ 2,930,000.00	# 128,539,515
P00012	21 Jul 99	Credit Proposal	(\$67,807.00)	# 128,471,708
P00013	21 Jul 99	Clin 0010AA/0010AB Extend. Period of Perf.	-	
P00014	12 Aug 99	Transfer Property ECP milt-1413	-	
P00015	30 Aug 99	Transfer Property	-	
P00016	31 Aug 99	Incorp. DoDAAC	-	
P00017	29 Oct 99	Extend Period of Perf.	-	
A00002	30 Mar 99	ACO clause Revision	-	
P00018		TRANS. OF PROPERTY	-	
P00019	15 DEC 99	TRANS. OF PROPERTY	-	
P00020	Cancelled	XXXXXXXXXX	\$ -	-
P00021	21 Dec 99	BMD LTR CONTRACT	\$ 2,080,749.00	# 130,502,457
P00022	23 Dec 99	VIXWORKS Engin. additional Funding	\$ 2,917,100.00	# 133,419,557

CONTRACT MODIFICATION REGISTER

CONTRACT NO. DAAH01-98-C-0138

BALANCE FORWARD \$ 133,419,557.48

Mod Nr	Date Assigned/Issued	Description	Dollar Amount (Incr or Decr)	TOTAL CONTR \$ AMOUNT
P00023	27 Dec 99	Clin 000455 Funding Action	\$ 75,919.00	133,495,476. ⁴⁸
P00024	11 Jan 2000	Exam. Proposals	-	
P00025	12 Jan 2000	AZ Duct Shields	\$ 90,765.00	133,586,241. ⁴⁸
P00026	27 Jan 2000	Path to OT Letter Contract	\$ 3,828,372.76	137,414,614. ⁴⁸
P00027	10 Feb 2000	SOW Extension	-	
P00028	15 Feb 00	Exam. Proposals	-	
P00029	24 Mar 00	Warranty	\$ 2,405,993.00	\$ 139,820,607. ²⁴
P00030	27 Mar 00	IMC Contract	-	
P00031	02 Mar 00	Admin Chg	-	
P00032	30 Mar 00	Extend 1020AB to 31 Mar 00	-	
	18 Apr 00	FE	-	
	29 Apr 00	Acceptance of LTR to SFA	-	
P2000	19 Apr 00	EMD Letter Contract	\$ 1,000,000	\$ 140,820,607. ²⁴
P00035	19 Apr 00	Response to four LTRs	-	
P00036	19 Apr 00		-	
P00037	9 May 00	SOW Change Para 9	-	
P00038	30 May 00	Extend 1020AB to 15 Jun 00	-	
P00040	10 May 00	Path to OT Definitization	\$ 3,871,627.24	\$ 145,386,419. ⁴
P00041	22 May 00	Change Supton	-	
P00042	31 May 00	Extend RWorks CLIN 1057 to 30 Sep 00	-	
P00043	23 May 00	Incorp Chg to 0003	-	
P00044	6 Jun 00	2 meter Config	-	
P00045	7 Jun 00	4 launchers GFP	-	
P00046	15 Jun 00	Extend 1020AB to 30 Dec 00	-	

CONTRACT MODIFICATION REGISTER

CONTRACT NO. DAAH01-98-C-0138

Balance Forwarded #

Mod Nr	Date Assigned/Issued	Description	Dollar Amount (Incr or Decr)	TOTAL CONTR \$ AMOUNT
P00047	18 Jul 00	Transfer CRUs to ship in place 2 LIU's for HIMARS	—	
P00048	10 Jul 00	Correct CLINS associated w/ P00044 - 2 motor conf.	—	
P00049	29 Aug 00	Connect A-CRN	\$ - .0	\$45,386,419.4
P00050	19 Dec 00	Warranty	—	
P00051	10 Aug 00	ECP MIC 1937	—	
P00052	6 Sep 00	Transfer GFP	—	
P00053	13 Sep 00	Fund Swap	—	
P00054	26 Sep 00	Launch Delivery Mod	—	
P000	20 Nov 00	Path to CF Option Exercise 10/01	\$ 8,444,488.51	153,830,907.9
	9 Oct 00	MILSTRIP 45 SPS; MUPP TMS	—	
P00057	18 Oct 00	Shipment of 2 Launchers	—	
P00058	2 Nov 00	Part # Changes Transfer GFE from IFC5	—	
P00059	7 Nov 00	Change PO Change Ship to Address	—	
P00060	14 Dec 00	Add GFP	—	
P00061	19 Dec 00	Extend Term CLINS	—	
P00062	20 Dec 00		—	
P00063	18 Jan 01		- 93,150.00	153,737,757.9
P00064	1 Feb 01	SPS Lang, Add GFE, hardware follow-up	- 0 -	
P00065				
P00066	19 MAR 01	CHG ACCEPTANCE OF MASS STORAGE DEVICES	- 0 -	
P00067	7 MAR 01	TRANSFER OF GFE FROM IFC5	- 0 -	
P00068	22 MAR 01	REVERSE DATAB, ETC ON MOD P00054	- 0 -	
P00069	29 MAR 01	Additional Funding	3,239,550	157,067,307.9
P00070	23 MAR 01	OVERRIDE FUNDING PATH TO ALT-CLINS	1,606,699	158,674,006.9

CONTRACT MODIFICATION REGISTER

CONTRACT NO. DAATO1-98-C-0138

Mod Nr	Date Assigned/Issued	Description	Dollar Amount (Incr or Decr)	TOTAL CONTR \$ AMOUNT
	30 MAR 01	ACCEPTANCE OF 2 LAUNCHERS	(7,500)	158,666,506.8
	13 JUN 01	EXTEND PER ORDER FOR 0014AA, 0014AB, 0014AC TO 023AA	-0-	
	01 JUN 01	INCORPORATE ECP MI-1960	-0-	
	28 JUN 01	WARNER V350	(\$9,080.00)	158,657,426.8
	12 JUL 01	CORRECTION OF MOD P00029	(\$345,699.00)	158,311,727.9
	17 JUL 01	PATH ID OF CHANGE ORDER	-0-	
P00077	13 AUG 01	ECP MI-C1950		
P00078	28 AUG 01	Warner V351	-	
P00079	25 SEP 01	Incorp. BFP	-	
P00080	06 SEP 01	Logistics Extension	-	
P00081	26 SEP 01	Path to OT Funding	\$350,000	160,391,727.9
P00082	25 SEP 01	Log. Support	\$1,730,000	\$160,041,727.9
P00083			ACTION CANCELLED	
P00084	02 OCT 01		-	
P00085	02 OCT 01		\$215,632	\$160,607,359.9
P00086			-	
P00087			\$589,508	\$161,196,867.9
P00088	05 NOV 01		-	
P00089	20 NOV 01	ECP MI-C1951	-	
P00090	14 NOV 01	Path to OT Extension	-	
P00091	24 JAN 02	NO-COS INCORPORATION OF ECP MI-C1959 R2		161,196,867.9
P00092		CANCELLED		
P00093	20 DEC 2001	CHANGE TO 31111-70 INDR FOR 5114 CO5AD VENDOR PARTS		\$161,196,867.9
P00094	12 FEB 2002	EXER 1020AK OPTION PEEK SHOT - NON-CRITICAL FCIL	\$59,694	\$161,256,563.9

AWARD/CONTRACT		1. This Contract Is A Rated Order Under DPAS (15 CFR 700)	Rating DOA2	Page 1 Of 63
2. Contract (Proc. Inst. Ident) No. DAAH01-98-C-0138		3. Effective Date 02 July 1998	4. Requisition/Purchase Request/Project No. SEE SCHEDULE	

5. Issued By US ARMY AVIATION & MISSILE COMMAND AMSAM-AC-IM-C MS COLLEEN RODRIGUEZ (256) 876-7347 REDSTONE ARSENAL AL 35898-5280 e-mail address: CRODRIG@REDSTONE.ARMY.MIL	Code W31P40	6. Administered By (If Other Than Item 5) DCMC LOCKHEED MARTIN VOUGHT SYS P O BOX 650003 PT-03 DALLAS TX 75265-0003	Code S4420A
		SCD C PAS NONE	ADP PT SC1002

7. Name And Address Of Contractor (No. Street, City, County, State, And Zip Code) LOCKHEED MARTIN VOUGHT SYSTEMS 1701 W MARSHALL DR GRAND PRAIRIE TX 75051-0003	<input checked="" type="checkbox"/> Other (See Below) SEE SCHEDULE
9. Discount For Prompt Payment	
10. Submit Invoices (4 Copies Unless Otherwise Specified) To The Address Shown In:	Item 12
TYPE BUSINESS: Large Business Performing in U.S	
Code 64059	Facility Code

12. Payment Will Be Made By DFAS - COLUMBUS CENTER WEST ENTITLEMENT OPERATIONS P O BOX 182381 COLUMBUS OH 43218-2381	Code HQ0339
--	--------------------

13. Authority For Using Other Than Full And Open Competition: <input checked="" type="checkbox"/> 10 U.S.C. 2304(c)(1) <input type="checkbox"/> 41 U.S.C. 253(c)	14. Accounting And Appropriation Data ACRN: AA 21 82032 85L5L06P2230 25CZ S01021 HQ0304
---	--

15A. Item No. SEE SCHEDULE	15B. Schedule Of Supplies/Services CONTRACT TYPE: Firm-Fixed-Price with CPFF Clins	15C. Quantity	15D. Unit	15E. Unit Price	15F. Amount
		KIND OF CONTRACT: System Acquisition Contracts			

15G. Total Estimated Amount **\$413,180,369**

(X)	Section	Description	Page(s)	(X)	Section	Description	Page(s)
Part I - The Schedule				Part II - Contract Clauses			
X	A	Solicitation/Contract Form	1	X	I	Contract Clauses	42
X	B	Supplies or Services and Prices/Costs	2	Part III - List Of Documents, Exhibits, And Other Attachments			
X	C	Description/Specs./Work Statement	15	X	J	List of Attachments	63
X	D	Packaging and Marking	19	Part IV - Representations And Instructions			
X	E	Inspection and Acceptance	20	K	Representations, Certifications, and Other Statements of Offerors		
X	F	Deliveries or Performance	21	L	Instrs., Conds., and Notices to Offerors		
X	G	Contract Administration Data	22	M	Evaluation Factors for Award		
X	H	Special Contract Requirements	24				

Contracting Officer Will Complete Item 17 Or 18 As Applicable

17. <input type="checkbox"/> Contractor's Negotiated Agreement (Contractor is required to sign this document and return _____ copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)	18. <input type="checkbox"/> Award (Contractor is not required to sign this document.) Your offer on Solicitation Number _____ including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.
--	---

19A. Name And Title Of Signer (Type Or Print) G. D. TROXEL SR. VICE PRESIDENT - CHIEF FINANCIAL OFFICER	19B. Name of Contractor By <i>[Signature]</i> (Signature of person authorized to sign)	19C. Date Signed 2 Jul 98	20A. Name Of Contracting Officer KATHLEEN M. JAMES CONTRACTING OFFICER	20B. United States Of America By <i>[Signature]</i> (Signature of Contracting Officer)	20C. Date Signed 02 JUL 98
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ABF

CONTINUATION SHEET

Reference No. of Document Being Continued
 PIIN/SIIN DAAH01-98-C-0138 MOD/AMD

Name of Offeror or Contractor: LOCKHEED MARTIN VOUGHT SYSTEMS

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS <u>Supplies or Services and Prices/Costs</u>				
0001AA	IMPROVED FIRE CONTROL SYSTEM (IFCS) KITS NOUN: SEE PARA C-8 FOR DESCRIPTION SECURITY CLASS: Unclassified PRON: A18EF10059 PRON AMD: 02 ACRN: AA AMS CD: 2230610001 <u>Packaging and Marking</u> PACKAGING/PACKING/SPECIFICATIONS: SEE SECTION D LEVEL PROTECTION: C LEVEL PACK: C <u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin <u>Deliveries or Performance</u> DOC SUPPL REL_CD MILSTRIP ADDR SIG_CD MARK FOR TP_CD 001 000000 0 DEL_REL_CD QUANTITY DEL DATE 001 21 31-DEC-2000 FOB POINT: Origin SHIP TO: <u>PARCEL POST ADDRESS</u> (W45G19) TRANS OFF RED RIVER ARMY DEPOT TEXARKANA TX 75507-5000	21	KT	\$ 958,416,14286	\$ 20,126,739.00
0001AB	FY-98 OPTION (IFCS KITS) NOUN: SEE PARA C-8 FOR DESCRIPTION FSCN: 18876 PART NR: N/A SECURITY CLASS: Unclassified <u>Range Quantities</u> FROM TO UNIT PRICE 1 4 \$ 1,031,000.00 <u>Packaging and Marking</u> PACKAGING/PACKING/SPECIFICATIONS: SEE SECTION D LEVEL PROTECTION: C LEVEL PACK: C <u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin <u>Deliveries or Performance</u> DOC SUPPL REL_CD MILSTRIP ADDR SIG_CD MARK FOR TP_CD 001	4	KT	NOT TO EXCEED	\$ 4,124,000.00

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CONTINUATION SHEET

Reference No. of Document Being Continued
 PIIN/SIIN DAAH01-98-C-0138 MOD/AMD

Page 5 of 63

Name of Offeror or Contractor: LOCKHEED MARTIN VOUGHT SYSTEMS

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0004AB	<p>EXTENDED WARRANTY</p> <p>NOUN: SEE PARA H-7 FOR DESCRIPTION EXCEPT AS STATED ELSEWHERE IN THIS CONTRACT, THE PERIOD OF PERFORMANCE FOR THE SUPPLIES AND SERVICES TO BE DELIVERED UNDER CLIN 0004AB SHALL BE THE OPTION EXERCISE DATE (NOT LATER THAN 01 MAY 2000) TO 30 SEPTEMBER 2003.</p> <p>SECURITY CLASS: Unclassified</p> <p><u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin</p> <p><u>Deliveries or Performance</u> DLVR SCH PERF COMPL <u>REL CD QUANTITY DATE</u> 001 1 30-SEP-2003</p>	1	LO	NOT TO EXCEED \$	5,900,000.00
0005	<p><u>Supplies or Services and Prices/Costs</u></p>				
0005AA	<p>M270A1 INITIAL IFCS SPARES</p> <p>NOUN: SEE ATTACHMENT 003 SECURITY CLASS: Unclassified</p> <p><u>Packaging and Marking</u> PACKAGING/PACKING/SPECIFICATIONS: SEE SECTION D LEVEL PROTECTION: C LEVEL PACK: C</p> <p><u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin</p> <p><u>Deliveries or Performance</u> DOC SUPPL <u>REL CD MILSTRIP ADDR SIG CD MARK FOR TP CD</u> 001 <u>DEL REL CD QUANTITY DEL DATE</u> 001 1 30-NOV-2001</p> <p>FOB POINT: Origin</p> <p>SHIP TO: CAMDEN, AR. (SHIP-IN PLACE)</p>	1	LO	\$	8,444,184.00
0005AB	<p>M270A1 INITIAL ILMS SPARES</p> <p>NOUN: SEE ATTACHMENT 007 SECURITY CLASS: Unclassified</p> <p><u>Packaging and Marking</u> PACKAGING/PACKING/SPECIFICATIONS: SEE SECTION D LEVEL PROTECTION: C LEVEL PACK: C</p> <p><u>Inspection and Acceptance</u></p>	1	LO	\$	940,468.00

TAB F

CONTINUATION SHEET

Reference No. of Document Being Continued
 PIIN/SHIN DAAH01-98-C-0138 MOD/AMD

Name of Offeror or Contractor: LOCKHEED MARTIN VOUGHT SYSTEMS

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
	<p><u>Packaging and Marking</u> PACKAGING/PACKING/SPECIFICATIONS: SEE SECTION D LEVEL PROTECTION: C LEVEL PACK: C</p> <p><u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin</p> <p><u>Deliveries or Performance</u> DOC SUPPL REL_CD MILSTRIP ADDR SIG_CD MARK FOR TP_CD 001 000000 0 DEL_REL_CD QUANTITY DEL_DATE 001 1 30-APR-2000</p> <p>FOB POINT: Origin</p> <p>SHIP TO: CAMDEN, AR (SHIP-IN PLACE)</p>				
0006	<p><u>Supplies or Services and Prices/Costs</u> FY-99 OPTION - IFCS KITS</p> <p>NOUN: SEE PARA C-8 FOR DESCRIPTION SECURITY CLASS: Unclassified</p>	24	KT	\$ 958,416.16666	\$ 23,001,988.00
	<p><u>Packaging and Marking</u> PACKAGING/PACKING/SPECIFICATIONS: SEE SECTION D LEVEL PROTECTION: C LEVEL PACK: C</p> <p><u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin</p> <p><u>Deliveries or Performance</u> DOC SUPPL REL_CD MILSTRIP ADDR SIG_CD MARK FOR TP_CD 001 DEL_REL_CD QUANTITY DEL_DATE 001 24 30-NOV-2001</p> <p>FOB POINT: Origin</p> <p>SHIP TO: PARCEL POST ADDRESS (W45G19) TRANS OFF RED RIVER ARMY DEPOT TEXARKANA TX 75507-5000</p>				
0007	<p><u>Supplies or Services and Prices/Costs</u></p>				

TAB E

CONTINUATION SHEET

Reference No. of Document Being Continued

Page 22 of 63

PIIN/SIIN DAAH01-98-C-0138

MOD/AMD

Name of Offeror or Contractor: LOCKHEED MARTIN VOUGHT SYSTEMS

SECTION G - CONTRACT ADMINISTRATION DATA

LINE ITEM	PRON/ AMS_CD	OBLG ACRN STAT	ACCOUNTING CLASSIFICATION	JOB ORDER NUMBER	ACCOUNTING STATION	OBLIGATED AMOUNT
0001AA 2230610001	A18EF10059	AA 1 21	82032 85L5L06P2230	25CZ S01021	HQ0304 \$	20,126,739.00
0002AA 2230610001	A18EF10059	AA 1 21	82032 85L5L06P2230	25CZ S01021	HQ0304 \$	10,095,923.00
0002AB 2230610001	A18EF10059	AA 1 21	82032 85L5L06P2230	25CZ S01021	HQ0304 \$	734,183.00
0003 2230610001	A18EF10059	AA 1 21	82032 85L5L06P2230	25CZ S01021	HQ0304 \$	2,854,860.00
0005AC 2230610001	A18EF10059	AA 1 21	82032 85L5L06P2230	25CZ S01021	HQ0304 \$	900,000.00
0005AD 2230610001	A18EF10059	AA 1 21	82032 85L5L06P2230	25CZ S01021	HQ0304 \$	5,175,839.00
1010 2230610001	A18EF10059	AA 1 21	82032 85L5L06P2230	25CZ S01021	HQ0304 \$	7,630,214.00
1020AA 2230610001	A18EF10059	AA 1 21	82032 85L5L06P2230	25CZ S01021	HQ0304 \$	15,482,242.00
TOTAL						\$ 63,000,000.00
SERVICE				ACCOUNTING		OBLIGATED
NAME	TOTAL BY ACRN	ACCOUNTING CLASSIFICATION		STATION		AMOUNT
Army	AA	21 82032	85L5L06P2230	25CZ S01021	HQ0304	\$ 63,000,000.00
TOTAL						\$ 63,000,000.00

G-1 SPECIAL BILLING INSTRUCTIONS

THE SUPPLIES/SERVICES PROCURED UNDER THIS CONTRACT ARE CONTROLLED BY CONTRACT LINE ITEM NUMBER DESCRIBED IN THE SCHEDULE. THE FUNDING IS STRUCTURED BY EITHER LINE ITEM, OR EXHIBIT LINE ITEM. BILLING SHALL BE AGAINST THE LINE ITEM, OR EXHIBIT LINE ITEM WHEN SUCH ARE CITED IN THE SCHEDULE AND THE RELATED ACCOUNTING AND APPROPRIATION DATA. THE GOVERNMENT RESERVES THE RIGHT TO CHANGE THE LINE ITEM, OR EXHIBIT LINE ITEM STRUCTURE UNILATERALLY AS REQUIRED BY COMMAND MANAGEMENT PROCESSES RELATING TO FISCAL MANAGEMENT AND MILSCAP WITHOUT CHANGE IN CONTRACT PRICE.

*** END OF NARRATIVE G001 ***

G-2 CONTRACT ADMINISTRATION DATA

A. CONTRACT ADMINISTRATION OFFICE. The contract administration office for this contract is located at the following address:

Defense Contract Management Command
 Lockheed Martin Corporation, Vought Systems Division
 P.O. Box 650003, M/S PT-03
 Dallas, TX 75265-003

B. CONTRACTING OFFICER, The contracting officer for this contract is:

Kathleen M. James
 U.S. Army Aviation & Missile Command
 AMSAM-AC-TM-C

TAB F

TRNSH-CON-NO-WORCS : DATE: 00 FEB 11 PAGE 001

TO CODE D2 FROM CODE
HQ AMCOM MLRS PROJECT OFC
AMSAM-AC-BM-A USA MICOM REDSTONE ARS, AL 35898
REDSTONE ARSENAL, AL 35898-5280

PRON AMD PPRI SP-PRI SCD PCC SVC-CD SVC-CMPL-DT PH GFM CIIC
7NOLCHH95902 01 92 01 SEP 30 N

NSN ADD-NSN NOUN/SERVICE TITLE IMPC ANALYST
LRIP SPARES PAYBACK PMSH

FIA-CD REP-CD WPN FRAG-CD PROC-ACT-NO AMS-CD
LEDEF N 22306106

TDD PWD-EXPR-DT ARMY-CSOR-NO NON-ARMY-CSOR-NO
00 FEB 28 02 SEP 30
TYPE OF PWD TYPE FINANCE TY-FUNDS JO-NO
SERVICE C CITED FDS CERT APA 07NLCH

APROP LMT-SUB SUPPL-ACCT-CLASS ACCT-STA
21 02032 0000 05L5L06P2230612526 S01021 W3163H

QUANTITATIVE AND PRICE CHANGE DATA			SECURITY: UNCLASSIFIED	
ELEMENT	QUANTITY	TOTAL PRICE	UNIT PRICE	UI
PRIOR	0	0.00		
PRIOR CONTGCV		0.00		U
INCR QTY/COMT	0	3,679,082.41	REP	OPT
INCR CONTGCV		0.00	ALT/PLT/UPRC	PCT/DAYS
DECR QTY/COMT	0	0.00	N N N	
DECR CONTGCV		0.00		
CURR CONTGCV		0.00	FUND CERTIFICATION	
CURRENT	0	3,679,082.41	1 COMMITTED	

AUTHENTICATION: Brenda J. Morrow, Program Analyst, 15 Feb 11
(SIGNATURE AND TITLE) (DATE)

AFLPU
MLRS BUDGET PCC: MS. BRENDA J. MORROW, 876-7258

REMARKS/PROCUREMENT DATA:

EC/EDI ACCOUNTING CLASSIFICATION
ARMY

APROP LMT-SUB SUPPL-ACCT-CLASS
21 00022032 0000 0 5L 5L06 22306106000 2526 07NLCH S01021

ACCT-STA
3H

MUST BE REVIEWED BY SMALL BUSINESS OFFICE FOR SDBSA OR 8A
MANUALLY ENTERED PRON. DO NOT DUPLICATE PROCUREMENT ACTION.

TAB F

Lockheed Martin Vought Systems
P.O. Box 650003 Dallas, TX 75265-0003
Telephone 972-603-1000



3-19210/1998L-5127

30 June 1998

To: Comander
U.S. Army Aviation and Missile Command
Redstone Arsenal, Alabama 35898-5280

AMSAM-AC-TM-C/Ms. Kathy James, PCO

Request for Proposal DAAH01-97-R-0212, M270A1 Upgrade, Low Rate
Production, Confirmation of Negotiations and Certification of Current Cost or
Pricing Data

(a) Vought Systems letter 3-19210/1988L-5107 dated 22 June 1998,
Submission of Cost Proposal

Encl: (1) Negotiated CLIN Price Schedule

(2) Certificate of Current Cost or Pricing Data

1. Lockheed Martin Corporation, Vought Systems Division (the "Contractor") hereby confirms the negotiation of the reference (a) cost proposal in the amount of \$121,690,827 for the Basis program and \$291,489,542 for FFP/NTE options. As stated in the reference (a) transmittal letter, the requirements and estimates were prepared utilizing the Alpha Contracting process. Therefore, factfinding/negotiations for the referenced proposal began 10 July 1997 and concluded 30 June 1998.
2. Said negotiated price reflected above is predicated on agreement of terms and conditions agreed to during the Functional and Executive IPT meetings as well as those discussed during price negotiations. Enclosure (1) reflects the negotiated firm prices as well as the priced and NTE options.

TAB F

3. Enclosure (2) certificate is provided for your records.
4. Please address any questions concerning this subject matter to the undersigned at (972) 603-1415.

Respectfully,



Kathy Kelley Verrijcke
Financial Manager - Fire Support

cc: AMCOM/SFAE-MSL-ML-A/Mr. A. Pratte
DCMC-RVAC/Mrs. D. L. Williams, ACO
Resident Auditor, DCAA

TAB F

0001AA = + 1,381,627.12

0006 = + 1,583,035.29

2,964,662.41

Enclosure (1)

NEGOTIATED CLIN PRICE SCHEDULE

<u>CLIN</u>	<u>CLIN DESCRIPTION</u>	<u>QUANTITY</u>	<u>PRICE</u>
0001AA	FY 98 IFCS Kits	21 ea.	\$20,126,739 <i>21,508,366.12</i>
0002AA	FY 98 ILMS Kits - Basic	21 ea.	\$10,095,923
0002AB	FY 98 ILMS Kits - Option	2 ea.	\$ 734,183
0003AA	FY 98 Launcher Integration - Basic	21 ea.	\$ 2,854,860
0004AA	Warranty	1 Lot	\$ 75,919
0005AA	M270A1 Initial IFCS Spares	1 Lot	\$ 8,444,184
0005AB	M270A1 Initial ILMS Spares	1 Lot	\$ 940,468
0005AC	Cartridge, Removable Memory	44 ea.	\$ 900,000
0005AD	Additional Initial Spares	1 Lot	\$ 5,175,839
0006AA	FY 99 Option - IFCS Kits	24 ea.	\$23,001,988 <i>24,585,023.29</i>
0007AA	FY 99 Option - ILMS Kits	24 ea.	\$11,538,198
0008AA	FY 99 Option - Launcher Integration	24 ea.	\$ 3,262,698
0009AA	FY 99 Option Remanufacture Nonrecurring	1 Lot	\$ 462,882
0009AB	FY 99 Option - Remanufacture	9 ea.	\$ 3,020,816
1010AA	Special Tooling	1 Lot	\$ 7,630,214
1020AA	FY 98 Program Support	1 Lot	\$15,482,242
1020AB	FY 99 Program Support	1 Lot	\$ 7,943,674
Total Basic Program			\$121,690,827

Not-to-Exceed Options:

0001AB	FY 98 IFCS Kits	4 ea.	\$ 4,124,000
0009AC	FY 99 Option - Remanufacture	10-24 ea	\$ 6,265,542
0004AB	Extended Warranty	1 Lot	\$ 5,900,000
0011AA	Contractor Support	1 Lot	\$ 4,500,000
0021AA	M270A1 New Launchers	1-29 ea.	\$133,150,000
0021AB	M270A1 New Launchers	30-74 ea.	\$133,650,000
0021AC	M270A1 TDP	1 Lot	\$ 3,900,000

Total Options

\$291,489,542

0006 = 22,622,846.00
+ 10AB = 1,962,177.29
(0016AA) 24,585,023.29

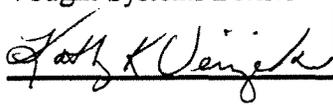
0001AA = 19,791,461
0001AE = 1,710,905.12
21,508,366.12
(0001AD)

1A5 F

CERTIFICATE OF CURRENT COST OR PRICING DATA

This is to certify, to the best of my knowledge and belief, the cost or pricing data (as defined in Section 15.401 of the Federal Acquisition Regulation (FAR) and required under FAR subsection 15.403-4) submitted, either actually or by specific identification in writing to the Contracting Officer or to the Contracting Officer's Representative in support of DAAH01-97-R-0212, M270A1 Upgrade, Low Rate Production cost proposal dated 22 June 1998 as well as all supporting data furnished/disclosed/provided are accurate, complete, and current as of 30 June 1998. This certification includes the cost or pricing data supporting any advance agreements and forward pricing rate agreements between the offeror and the Government that are part of the proposal.

Firm: Lockheed Martin Corporation
Vought Systems Division

Signature: 

Name: Kathy Kelley Verrijcke

Title: Financial Manager - Fire Support

Date of Execution: 30 June 1998

TAG F

<u>CLIN</u>	<u>PRON</u>	<u>MOD P00002 CUM OBLIGATED AMOUNT</u>	<u>MOD P00030 CUM OBLIGATED AMOUNT</u>	<u>ACTUAL MOD P00030 CLIN DELTA</u>
0005AE	D18B0033	1,709,841.56	983,566.76	726,274.80
0005AF	D18B0034	169,682.72	82,783.24	86,899.48
0005AG	D18B0035	1,374,821.08	670,735.32	704,085.76
0005AH	D18B0036	1,190,254.64	580,690.68	609,563.96
0005AJ	D18B0037	40,511.48	19,754.36	20,757.12
0005AK	D18B0038	389,856.35	190,199.60	199,656.75
0005AL	D18B0039	434,851.90	212,151.60	222,700.30
0005AM	D18B0040	89,267.52	43,551.04	45,716.48
0005AN	D18B0041	267,893.05	130,697.25	137,195.80
0005AP	D18B0042	91,029.40	44,410.60	46,618.80
0005AQ	D18B0043	99,732.44	49,656.56	50,075.88
0005AR	D18B0044	185,738.40	90,616.40	95,122.00
0005AS	D18B0045	70,301.85	34,298.25	36,003.60
0005AT	D18B0046	136,311.12	66,502.24	69,808.88
0005AU	D18B0047	80,587.48	39,316.28	41,271.20
0005AV	D18B0048	83,614.44	40,793.04	42,821.40
0005AW	D18B0049	84,210.48	41,083.88	43,126.60
0005AX	D18B0050	84,972.16	41,455.44	43,516.72
0005AY	D18B0051	101,208.76	49,376.80	51,831.96
0005AZ	D18B0124	499,210.56	243,550.32	255,660.24
0005BA	D18B0052	<u>1,047,815.92</u>	<u>898,431.24</u>	<u>149,384.68</u>
SUBTOTAL		8,231,713.31	4,553,620.90	3,678,092.41
0001AD	7N0LCHH959	0.00	1,716,905.12	0.00
0016AA	7N0LCHH959	0.00	<u>1,962,177.29</u>	<u>0.00</u>
TOTAL		8,231,713.31	8,232,703.31	3,678,092.41

TOTAL ACTUAL DECREASES

MADE BY MOD P00030 TO CONTRACT: **-3,678,092.41**

TOTAL ACTUAL FUNDS ADDED

BY MOD P00030 TO CONTRACT: **8,232,703.31**

TOTAL **ACTUAL NET INCREASE** TO CONTRACT: **4,554,610.90**

TOTAL **ACTUAL** CONTRACT AMOUNT SHOULD
HAVE BEEN INCREASED BY **\$4,554,610.90** FROM **\$137,414,614.24**
TO **\$141,969,225.14** BY P00030.

TOTAL P00030 DECREASE AMOUNT OF **-7,499,645.19**
AS SHOWN ON PADDS DOCUMENT FOR P00030 OF CONTRACT IS
INCORRECT AS WELL AS THE TOTAL REVISED CONTRACT AMOUNT.

TAG F

**INCORRECT
MOD P00030
CLIN DELTA**

1,709,841.56
169,682.72
1,374,821.08
1,190,254.64
20,757.12
199,696.75
222,700.30
89,267.62
267,893.05
91,029.00
99,732.44
185,736.40
70,301.85
69,808.88
80,587.48
83,614.44
84,210.48
84,972.16
101,208.76
255,660.24
1,047,815.92
7,499,592.89

ABF

G

Daniels, Clarence N CIV USA AMC

From: "Williams; Deborah" <dwilliams@dcmdw.dla.mil>
Sent: Thursday, March 09, 2000 1:41 PM
To: "Bucky Tucker" <Bucky.Tucker@dcaa.mil>; "June Smith - DCAA"
<june_smith@rce.dcaa.mil>
Cc: CDANIEL; CRODRIG
Subject: FW: McGough's Weekly IES/Prod Support Report 3/5/00
Attachments: Text Item.TXT; 03-02.doc; RFC822.TXT

Note under M270 the voluntary refund. Over 5,000 hours moved from IES cost type to a firm fixed price FMS thanks to Colleen and Clarence.

Debbie

> -----Original Message-----
> From: Deam, Paula
> Sent: Thursday, March 09, 2000 11:15 AM
> To: 'Handley, George (MLRS PMO)'; Johnston, Don; Castleberry, Randy;
> Culver, Margaret; Sanders, Randy; ~~Williams, Deborah; Le, Qui; Maewal,~~
> Renuka
> Subject: FW: McGough's Weekly IES/Prod Support Report 3/5/00
>
> George - Didn't know if Harold forwarded this to you yet.
>
> <<Weekly Activity Report>>



TAB G

3-18300/2003L-5002

23 April 2003

To: Commander
U. S. Army Missile Command
Redstone Arsenal, Alabama 35898-5280

Attn: AMSAM-AC-TM-C/Ms. C. Rodriguez

Subj: Requested Information on Schedule/Budget Baseline Revision (S/BBR)
Number 1-012, CLIN 1020, Contract DAAH01-98-C-0138

Encl: (1). Indirect Email, Subject: MLRS – Mischarging – Performance Cost
Reports, 21 April 2003.
(2). Indirect Email, Subject: Request for Letter (Not AVO) from Don Shipp
regarding BBR on 3B83, 21 April 2003

1. I have been informally and indirectly requested to provide this letter stating the facts and circumstances surrounding the execution of S/BBR 1-012 for CLIN 1020, WBS GAA and GBA, Contract DAAH01-98-C-0138. The paragraphs below describe the events leading up to S/BBR 1-012, dated 10 October 1999. Subject contract had no Earned Value Management (EVM) requirements imposed by either the Government or Lockheed Martin (LM).

2. In March 1999 the M270A1 Product Manager, LTC Stephen D. Kreider, established a series of Cost Account Manager (CAM) reviews to be held each Month to review the cost status of each WBS in the LRIP I/II Cost Plus Fixed Fee (CPFF) Production Support CLIN, 1020, of the above contract. On 30 September 1999 WBSs GAA and GBA Work Packages, Data Management, were reviewed. Both Work Packages showed an under spend condition for the current period, cumulative and at completion. During the review LTC Kreider instructed the Government CAM to re-baseline the packages and transfer the under-run to Management Reserve. That guidance (direction) was relayed to me, the contractor Program Manager, during our normally scheduled video teleconference on 6 October 1999. The Procurement Contracting Officer had representatives in this meeting and, if my memory serves me correctly, it was Colleen Rodriguez who was the contracting officer for subject contract. Following the budget review the Government CAM, Mike Armstrong, and Contractor CAM, Cheryl Wilson, discussed the work content of each of the Work Packages and estimate to completion (ETC) for each package and determined that the under spend condition would continue until the end of the contract period. The re-baseline was completed, the total under-run identified and the S/BBR was completed and approved by the undersigned to transfer the hours and ODCs to management reserve.

-TAG G

23 April 2003

3. Three points need to be established here.

(a). The contractor's Program Manager is solely responsible for managing a contract to schedule and cost. The Program Manager is responsible to allocate available funding to CAMs, monitor expenditures, monitor cost reports and report to management on the health of budget and schedule. This responsibility also includes maintaining a Management Reserve, managing Cost Accounts and when necessary, moving funding within the contract with S/BBRs.

(b). Management Reserve is a program management tool generated by a Program Manager to have a small emergency fund to handle unexpected circumstances. Maintaining a Management Reserve is a good business practice that is not prohibited by the FAR, contract or any other Government document. A Management Reserve is generated by issuing a percentage challenge to each CAM's budget allocation. This percentage of funds is collected and placed under the direct control of the Program Manager. The Management Reserve is reported to the Government on Cost Reports and, if not used on a CPFF contract, returns to the Government.

(c). Development and processing of an S/BBR does not require approval of the Government Product Manager or PCO when the funding is being moved about within the CLIN or Sub-CLIN level when funding is allocated by the contract at that level. With no directed EVM, changing baselines for work packages is at the discretion of the Program Manager.

4. The preceding paragraphs contain the facts and circumstances surrounding the S/BBR 1-012 as indirectly requested. The paragraphs also establish that the Program Manager did not require the Government Product Manager's direction to initiate and approve the S/BBR for moving funding into program Management Reserve. If there are further questions please do not hesitate to call the undersigned.



D. R. Shipp, Manager
Manager, M270A1 Production
(972) 603-1338 (has voicemail)
donald.shipp@lmco.com
Page (800) 867-1584 or donald.shipp@myairmail.com
(972) 603-1476

cc: DCMC Lockheed Martin Corp/Ms. D. Williams, ACO

AG, G

Enclosure (1) to 3-18300/2003L-5002
23 April 2003

-----Original Message-----

From: Rodriguez, Colleen M ACQ
Sent: Monday, April 21, 2003 3:52 PM
To: 'bill.kennedy@lmco.com'
Cc: Daniels, Clarence N ACQ; Snyder, James M ACQ; Salinas, W David ACQ
Subject: FW: MLRS - Mischarging - Performance Cost Reports

Bill,

Since neither David nor myself recall this issue please provide me a signed copy of this direction by the close of business today.
Thanks,
Colleen

> -----Original Message-----

> From: Fannin, Janice
> Sent: Thursday, April 17, 2003 12:41 PM
> To: Williams, Deborah; Yacovoni, LTC Philip
> Cc: Schiller, Jim; Strange, Stephan; Deam, Paula
> Subject: RE: MLRS - Mischarging - Performance Cost Reports

>
> sorry it took so long - I just got a call from Don Shipp and he stated that Colleen Rodriguez was present and he think that David Salinas was also there.

>
> -----Original Message-----

> From: Williams, Deborah
> Sent: Wednesday, April 16, 2003 3:39 PM
> To: Fannin, Janice; Yacovoni, LTC Philip
> Cc: Schiller, Jim; Strange, Stephan; Deam, Paula
> Subject: RE: MLRS - Mischarging - Performance Cost Reports

>
> Can you find out the PCOs name?

>
> Debbie

>

>

>

> -----Original Message-----

> From: Fannin, Janice
> Sent: Wednesday, April 16, 2003 3:14 PM
> To: Williams, Deborah; Yacovoni, LTC Philip
> Cc: Schiller, Jim; Strange, Stephan; Deam, Paula
> Subject: RE: MLRS - Mischarging - Performance Cost Reports

>
> Sorry about the misspelling of the name. I forgot to state that the PCO was also present in said meeting.

>

> -----Original Message-----

> From: Williams, Deborah
> Sent: Wednesday, April 16, 2003 3:00 PM
> To: Yacovoni, LTC Philip
> Cc: Schiller, Jim; Strange, Stephan; Fannin, Janice; Deam,

TAB G

Paula
> Subject: FW: MLRS - Mischarging - Performance Cost
Reports
>
> LTC Yacovoni,
>
> This is the additional input Janice got. Looks like Col
Kreider
directed them. They are not supposed to take direction from the PM. Not
sure
what to do now. Guess we can forward it with our report and PCO can
write a
letter reprimanding them, but seems to me there is a problem here with
our
contractor responding to other than PCO direction.
>
> Debbie
>
>
>
> -----Original Message-----
> From: Fannin, Janice
> Sent: Wednesday, April 16, 2003 2:50 PM
> To: Williams, Deborah
> Subject: MLRS
>
> FF-008, FF-009 - Talked with Barbara Tabor. She is in the
area
that handles the SBBRs. She was the person that signed BBR 1-012 for
the PP/FR
area. Per our conversation they were directed by Col Crowder to move the
hours
out because he did not want to see any under runs (or overruns). The
LMMFC
Program Director (Don Shipp) was in a status meeting where this was
discussed.
Per Barbara Tabor she inform them that doing this was not an acceptable
practice, but she was directed to accomplish the task. Mr. Shipp stated
that he
had nothing in writing that directed them to do this. Ms. Tabor is going
to
check to see if written direction came to someone else. I reviewed six
months
(nine SBBRs) of data and found that this problem had not occurred on any
of
those SBBRs.

T B G

Enclosure (2) to 3-18300/2003L-5002
23 April 2003

-----Original Message-----

From: Williams, Deborah [mailto:Deborah.Williams@dcma.mil]
Sent: Monday, April 21, 2003 4:08 PM
To: Kennedy, Bill; Floyd, Horace
Cc: don.shipp@lmco.com; Fannin, Janice; Patton, Theresa; Colleen Rodriguez; David Salinas - PCO
Subject: Request for Letter (Not AVO) from Don Shipp regarding BBR on 3B83

Bill/Horace,

Request a written letter today be faxed to Colleen Rodriguez and a follow-up email to us both explaining the BBR 1-012 previously discussed between Barbara Tabor and Janice Fannin. Please explain who directed Don Shipp to direct Barbara to move the hours out and not show the underrun. Per Janice's conversation I understand that Col Kreider directed you to move the hours out because he did not want to see any underruns or overruns. During Janice's interview it was also stated that Barbara knew this was not an acceptable practice, but she was directed to accomplish the task. Follow up emails to Janice stated that Colleen Rodriguez was also in the meeting where the direction was made and possibly David Salinas.

Request you provide this verbal information in writing.

Deborah L. Williams
Administrative Contracting Officer
DCMA Lockheed Martin Dallas
972-603-2555
deborah.williams@dcma.mil

7 AB G

LOCKHEED MARTIN 

3-19210/2001L-5504

13 Dec 2001

To: Commander
U.S. Army Aviation and Missile Command
Redstone Arsenal, Alabama 35898-5000

+ ending - Request

Attn: AMSAM-AC-TM-C/Ms. Colleen Rodriguez

Subj: Contract DAAH01-98-C-0138, M270A1 Upgrade, CLIN 1060,
Additional Funding Required

Encl: (1) Path to O/T Funding Status Summary, dated 8 Nov 2001

- 1 Lockheed Martin Missiles and Fire Control-Dallas (hereinafter referred to as Lockheed Martin) hereby notifies the Government that actual costs incurred on the subject CLIN has exceeded or will exceed the current funding reflected in the subject contract. Please increase the current contract funded amount by \$ 96,000.00 to accommodate this requirement for additional funding.
- 2 As shown in the enclosure (1) summary, based upon the existing funding level of \$18,495,688 and the forecasted Estimate-at-Completion (ETC) of \$18,590,958 (which assumes the eventual transfer of \$ 124,887 to the IES contract) the amount of additional funding required to complete billing of this contract is estimated to be \$ 95,270 . The enclosure (1) summary also provides a brief recap of the ETC and other cost elements as of this date. The cost growth is associated with basic contract effort/tasks, not the added effort/tasks provided for under Change Order P00076. Contributing factors for this unplanned cost growth are; (1) an increase in rates for computer support, (2) transfer of ESIT support cost from the WSMR Fleet Maintenance Contract to this contract, and (3) support for a second flight test at WSMR after the failure of the first flight test.
3. Also required is an extension of the period of performance for the program until 17 Jan 2002. This extension is required in order to allow the completion of subcontractor effort and subsequent billing and payment of the subcontractor's cost. This letter also confirms the mutual agreement, that the refurbishment of Launchers 1048 and 1049 (used in support of the Path to O/T program) is to be accomplished under the Contract DAAH01-98-C-0138 Production CLINs 0001 and/or 0006, in lieu of the Path to O/T program CLIN 1060. Please provide appropriate transfer language and a Ship to: address for the aforementioned two (2) M270A1 launchers.

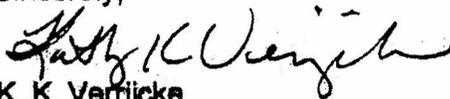
TAB G

3-19210/2001L-5504

3 Dec 2001

4. The additional funds should be added under CLIN 1063 in order to facilitate final billings. The amount to be added under the 1063 CLIN is \$ 96,000. Additionally, \$ 515,000 previously funded via Mod P00087 under CLIN 1064 needs to be transferred to CLIN 1063.00 so that billings may be accomplished.
5. Your attention to this matter will allow billing and payment of current outstanding balances. Your assistance in closure of this contract action is appreciated.
6. Should you have any questions regarding this matter, please contact Mr. G. W. Stamps at (972) 603-1543.

Sincerely,



K. K. Verrijcke
Financial Manager
MLRS Production Contracts

cc: AMSAM-AC-TM-C / Mr. J. Snyder
SFAE-MSL-ML-MG / Ms. D.R Dupree
DCMC Lockheed Martin Corp. / Ms. D. Williams, ACO

TAB G

Cost Element Spread to Time
Actuals/EIC Version
Period View
Projects: C-305

Lockheed Martin
ZHRP001
Nov 2001

Page: 2
Date: 11/29/2001
Time: 16:06:46

Function	Oct2000	Jan2001	Feb2001	Mar2001	Apr2001	May2001	Jun2001	Jul2001	Aug2001	Sep2001	Oct2001	Nov2001	Dec2001	2001	2002	2003	2004	EIC
80020X	3,805	0	0	0	0	0	3,661	1,735	1,735	12,401	2,905	40	0	13,197	0	0	0	17,001
DOLLARS-LABOR	13,165	0	0	0	0	0	11,540	5,518	5,518	39,093	8,820	127	0	41,940	0	0	0	55,105
90011K	0	0	0	0	0	0	0	0	0	0	19	0	0	19	0	0	0	19
90012K	10,631	0	0	0	0	0	7,894	3,774	3,774	26,739	5,812	87	0	28,909	0	0	0	39,540
LABOR C/H	10,631	0	0	0	0	0	7,894	3,774	3,774	26,739	5,792	87	0	28,928	0	0	0	39,560
400100	0	0	0	0	0	0	81,670	0	0	276,654	2,990	1,319	0	362,633	0	0	0	362,633
400102	195,000	0	0	0	0	0	175,073	109,595	0	15,402	4,800	0	194,198	499,068	0	0	0	694,068
400105	0	0	0	0	0	0	0	0	0	0	236	222	0	14	0	0	0	14
MATERIALS	195,000	0	0	0	0	0	256,743	109,595	0	292,056	8,026	1,097	194,198	861,715	0	0	0	1,056,715
SOULAX	7,845	0	0	0	0	0	8,986	3,836	0	10,222	1,052	36	6,409	28,437	0	0	0	36,281
CELLPH	2,396	0	0	0	0	0	5,304	1,342	1,342	16,221	1,832	2,053	0	21,746	0	0	0	24,142
S/T FUNCTION	229,037	0	0	0	0	0	290,467	102,797	10,634	384,331	9,471	3,401	200,607	982,765	0	0	0	1,211,803
TOTAL BDRG	107,553	6,144	8,617	7,511	7,779	5,832	4,953	5,362	4,039	4,676	3,783	996	8	59,700	0	0	0	167,252
S/T MFG COST	10,210,115	520,245	781,719	721,398	763,684	668,869	770,093	627,574	491,091	843,357	330,868	59,351	201,384	6,579,631	0	0	0	16,789,746
CSA	1,093,912	56,186	84,426	77,911	82,478	47,382	82,400	67,150	52,547	90,239	8,829	5,935	20,145	657,970	0	0	0	1,751,882
FOCOM	114,315	5,039	7,735	7,344	7,732	5,062	6,085	5,576	4,525	6,734	2,865	549	635	59,901	0	0	0	174,216
GRAND TOTAL	11,418,342	581,470	873,860	806,653	853,914	521,313	858,577	700,300	548,162	940,130	324,904	65,835	222,164	7,297,503	0	0	0	18,725,865

FUNDING 18,495,628

Selection Criteria
Project: EQ C-305
Period: 011
Year: 2001
Budget or Act/EIC: Actuals/EIC
IPT Filter:
Function Filter:
Cost Account Mgr:
Requesting Cost Center:
WBS Filter:

User: ACONLS
System: FRD 010 4.5B

ACTUAL IES XFER AMT (1,24,887)
95,270

11/29/01

Estimate to cover actuals
expended thru November and
outstanding materials costs
yet to be invoiced.
L Acton

MLRS SUMMARY PROGRESS REPORT FOR ENGINEERING SERVICES

Report Number: 3-11220/1998R-5004

Submitted Under: CDRL S/N A001, DI-MGMT-80061A
Report Period: 28 September Through 31 December 1998
Date Issued: 22 January 1999
Model: MLRS
Contract Number: DAAH01-98-C-0157



Lockheed Martin Vought Systems Corp.
P.O. Box 650003
Dallas TX 75265

DISTRIBUTION STATEMENT D. Distribution to DOD and DOD contractors only.

Prepare

Review

Approval

G. D. JENNETT
ENGINEERING SERVICES
LOCKHEED MARTIN VOUGHT
SYSTEMS

F. H. AVERY
PROGRAM MANAGER M270
LAUNCHER PROGRAM

M. J. STONE
PROGRAM MANAGER
ENGINEERING SERVICES

1 TECHNICAL PROGRESS REPORT SUMMARY

ABG

LIDAS for Block II

A new LIDAS Ground Station was delivered to the MIF to support Army TACMS Block II System Integration efforts. The LIDAS Ground Station was delivered to the Army TACMS DT/S lab. MIF personnel assisted in the initial setup and checkout to the system.

M270A1 to Army TACMS Block II integration

MIF personnel provided technical assistance and support for M270A1 to Army TACMS Block II integration activities. Coordination was made with the Army TACMS DT/S lab to acquire an iron bird for the test. Data from the test using the iron bird was compared to data collected when a MFOM Weapon Simulator was used. Corrections to the MFOM Weapon Simulator software was made on site by Inter-Coastal Electronics technicians.

VxWorks Conversion activities in the MIF

MIF personnel developed a new WIU test rack. The test rack was developed to support the VxWorks conversion activities. Room and support was made available for contractors from SAIC and SED to work in the MIF. Temporary test sets were developed for the contractors from SAIC and SED to use while the WIU test rack was under development. The contractors were allowed to use ILMS LRUs on a non-interference basis. They were supported on second and sometimes third shift during the effort. The conversion schedule did not allow time to acquire material and equipment using the normal channels. Special arrangements were made to get the equipment quickly. MIF personnel worked diligently to develop the WIU test rack to meet the needs of the SAIC and SED contractors.

6.07.2 System Level Test

A system level test for Fire Control System Software 6.07.2 was completed. Nominal fire missions were executed from a Fire Direction system to an IPDS and basic launcher. Equipment and support were provided by Army TACMS DT/S lab personnel. MLRS Software supported and were instrumental during the execution of the test. The test report was completed and provided to MLRS Product Assurance and Test. Several lessons learned were documented. The actual time to run the test was greater than the equipment availability time. Some equipment was provided back to Army TACMS before the conclusion of the test. Launcher hardware problems not related to the test scenario also caused some delay in testing. Discussions following the testing indicated that more operational procedures should be included in the next system level test.

M270A1 to Army TACMS Block IA Integration

MIF personnel continued to support the M270A1 to Army TACMS Block IA Integration efforts in the MIF High Bay Area. Launcher operator support was provided during the set up for the test. An iron bird was borrowed from the Army TACMS DT/S lab to support the preparation for the test. MFOM Weapon Simulators were installed and removed during the test. MLRS Software discovered software anomalies during testing. MIF personnel assisted during the launcher debug efforts. Limited support was also provided in the scheduling and configuring of the integration console to support the debug effort.

ILMS System Integration Test V

MIF personnel provided support for the preparation and execution of the ILMS System Integration Test V. The hours of operation in the MIF to support this effort was expanded beyond normal operation hours. Fire Direction System support was provided by Intermetrics employees. Intermetrics employees worked second shift for several months to support this effort. MIF personnel provided Fire Direction Systems, SINGARS, and LIDAS support as it was needed. The integration effort included software development and test activities. The MIF staff was divided to provide coverage for the work being performed during multiple shifts. Support for launcher operations in the field next to the McCulloch building was provided. Requests were made to the ILMS program to submit LIDAS Anomaly Reports when problems with MFOM Weapon Simulators were found. During this test several MFOM Weapon Simulators were removed from other test efforts to support the ILMS SIT V efforts.

IFCS Robustness Testing

MIF personnel provided equipment and support for IFCS robustness testing. Coordination was made with Intermetrics to provide Fire Direction System Operators for the test. Testing included the execution of the IFCS Field Exercise Scenario. Both rocket and missile fire missions were executed. Technicians from Tec-Masters Inc. were on site in the MIF during robustness testing. They were responsible for collecting, reducing, and analyzing LIDAS data from the tests.

IFCS Maintainability Demonstration

MIF personnel provided support for the IFCS Maintainability Demonstration. Technicians from Tec-Masters Inc. were not available to collect and analyze LIDAS data as planned. MIF personnel set up a LIDAS Ground Station near the integration console. LMVS instrumentation engineers worked to provide data collection and data reduction in the MIF. A request was made from PM MLRS to set up a Mass Storage Device (MSD) to collect LIDAS data from the console. Since no MSD was available the data was stored on the LIDAS Ground Station Hard Drive. The was executed from Noon to 9:30pm each day. Arrangements were made to acquire an additional MIF technician to support the hardware modification required for the test.

TAB 6

MLRS SUMMARY PROGRESS REPORT FOR ENGINEERING SERVICES

Report Number: 3-11220/1998R-5004

Submitted Under: CDRL S/N A001, DI-MGMT-80061A
Report Period: 28 September Through 31 December 1998
Date Issued: 22 January 1999
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1. TECHNICAL PROGRESS REPORT SUMMARY

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5.6 ESM: 1.8.101 (CLIN 0002) Description: PDSS Software Engineering

5.6.1 Work Accomplished and Objectives Attained

The 17th Software Maintenance Review Board (SMRB) was held on 27-28 October at LMVS. The scope of the meeting centered on the M270A1 and the Software Trouble Reports (STRs) being incorporated within the next three releases.

An integrated schedule showing all of the STRs being worked was generated.

The initial Bravo Release to support the LMVS test program was released to Systems Engineering on 7 December. It included a total of 215 STRs identified for incorporation by the PMO, User and LMVS personnel.

The 18th SMRB was held on 1 December at LMVS. Items discussed included the STRs incorporated in the 7 December release and what is planned for the March and FUE Releases. Also discussed were the plans to complete regression testing on all PDSS CSCIs prior to the March release.

Regression tests to support the M270A1 OT have begun. TAC1ABAM, RRPBAM, TACBAM, and ERBAM were all completed the first two weeks of December 1998.

5.6.2 Item or Procedure Change

None.

5.6.3 Work to be Accomplished and Objectives To Be Attained (Next Reporting Period)

Support to the 19th and 20th Software Maintenance Review Board in January and February. Items to be discussed include the content of the first three-Inch Pebbles for M270A1.

Release of the M270A1 software maintenance package (Version Bravo Final) to support Operational Testing in September 1999. Approximately 120 STRs are planned for this release.

Regression testing of CSCIs to support the M270A1 ESIT in preparation for the upcoming Operational Test (OT).

5.6.4 Reasons for Delay

None.

5.6.5 Significant Problems

None.

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5.6.6 Trips

None.

Digital Summarization

None.

ESM Status and Final Report Requirement

Not Applicable.

5.6.9 Recommendations

None.

ESM: 1.8.102 Description: Engineering Change Integration, M270A1 FCS Interface Definitions**5.7.1 Work Accomplished and Objectives Attained**

An MLRS Navigation Working Group Meeting was held on 17-18 August at LMVS regarding navigation performance and new user prompts to take advantage of the improved launcher navigation system. Although currently not funded, the user and AMCOM are eager to implement new Fire Control Panel (FCP) prompts prior to M270A1 OT to let the user know when a position update or Zero Velocity Update (ZUPT) is required in the absence of GPS aiding. Proper implementation will improve the travel distance capabilities of the launcher from 5 Km to about 40 Km while maintaining the required position accuracy to support the MLRS Family of Munitions (MFOM).

During IFCS/Block 1A laboratory integration testing an anomaly with the PNU GPS almanac and ephemeris messages was discovered. The PNU was not providing the requisite 32 sets of almanac and ephemeris in response to the Weapon Manager's request. Further investigation revealed that the problem was unique to the Ethernet interface, since all testing on the MIL-STD-1553 bus has indicated proper PNU operation. Apparently, the PNU application software is overflowing the message handling software (SYSBUS) because it is sending the almanac and ephemeris messages too fast for them to be properly processed on the Ethernet interface. Allied-Signal will implement a "delay" between data sets for the almanac and ephemeris messages to prevent the data overflow from occurring. However, this work around does not address the real problem of why the interface cannot handle 32 sets of 110 byte data. Furthermore, the proposed 10 ms delay between messages essentially means the PNU will be tied up holding and transmitting GPS messages for one second which may interrupt the flow of 40 ms attitude data during a fire mission.

IPDS engineering software version 106b successfully completed system level integration testing (simulated fire missions) in the MLRS lab; however, navigation tests on the McCulloch track yielded unacceptable results. Data indicated a 40 meter error in position after only 12 kilometers of travel. The problem was duplicated with the fielded version of software (Version 106) and an investigation is underway. This is basically the same test that was successfully performed on the IFCS PNU in February 1998 as part of System Integration Testing (SIT).

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5.7.2 Item or Procedure Change

None.

5.7.3 Work to be Accomplished and Objectives To Be Attained (Next Reporting Period)

Provide technical support for IFCS hardware maintenance problems.

Test and critique IFCS Alpha software drop in the area of CBIT and Maintenance Manger support for IFCS Maintainability Demo effort.

Provide support to Logistics during M270A1 Logistics Demonstration.

Provide recommendations to Software Engineering for continued CBIT and MM software development corrective actions and refinement.

Respond to customer comments on ECP MI-C1788 . Make changes to ICDs as required.

5.7.4 Reasons for Delay

None.

5.7.5 Significant Problems

None.

5.7.6 Trips

None.

5.7.7 Digital Summarization

Not Applicable.

5.7.8 ESM Status and Final Report Requirement

Not Applicable.

5.7.9 Recommendations

None.

5.8 ESM: 1.8.102 Description: Engineering Change Integration, M270A1 FCS Interface Definitions

5.8.1 Work Accomplished and Objectives Attained

The Harris SSMSD nuclear hardness test methodology was reviewed and is considered unacceptable due to inadequate emphasis on determining that the EEPROM operating program memory cannot be inadvertently altered. A review of the design indicated that the original usage of the SSMSD in the Bradley incorporated a write protection input, triggered by a nuclear event, from the Mass Memory Unit (MMU) power supply to each SSMSD. When the SSMSD was modified to use 64 M EEPROMs in place of 16 M EEPROMs, the write protection feature was deleted; although, no further nuclear testing was performed.

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The gamma dose rate test plan for the new M270A1 Executive Processor (EP) CCA was received from Harris and reviewed. The plan is considered deficient in emphasis on not altering the boot EEPROM memory. The existing EP CCA has a write protection input, triggered by a nuclear event, from the LRU power supply. The test set up for the new EP CCA does not provide a write protection input. Although the gamma dose rate tests are underway with completion scheduled for 23 December 1999, successful completion should not be considered closing action for qualification for the gamma dose rate environment. A more detailed characterization of the EEPROM response than can be accomplished with a test at the CCA level should be performed.

5.8.2 Item or Procedure Change

None.

5.8.3 Work to be Accomplished and Objectives To Be Attained (Next Reporting Period)

Review the results of gamma total dose and neutron testing of a Radstone EP CCA, which is scheduled at the WSMR NED 19-21 January 1999.

Define the additional nuclear testing required for the SSMSD and the Radstone EP CCA.

5.8.4 Reasons for Delay

None.

5.8.5 Significant Problems

None.

5.8.6 Trips

None.

5.8.7 Digital Summarization

Not Applicable.

5.8.8 ESM Status and Final Report Requirement

Not Applicable.

5.8.9 Recommendations

None.

5.9 ESM: 1.8.106 Description: ES Program Management, Rocket/Rocket Pod Project Direction and European Co-Production Coordination

5.9.1 Work Accomplished and Objectives Attained

TASK: IES PROGRAM MANAGEMENT

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Received approved TDL (IL-98-02) on 21 October directing tasks to support the M270A1 Launcher Program.

Supported and participated in ATAM/STEP studies and evaluations to reduce future M270A1 procurement costs.

Supported COR IPT cost reduction efforts by participating in Prime Vendor Support (PVS) IPT meetings and discussions involving government agencies (MLRS PMO, BFV PMO, and RRAD) and major M270A1 contractors (including carrier).

Initiated studies which will lead to baseline cost estimates for future M270A1 production cost reduction activities; these studies include inputs from major M270A1 contractors (including carrier).

Coordinating activities to support RJO efforts.

5.9.2 Item or Procedure Change

None

5.9.3 Work to be Accomplished and Objectives To Be Attained (Next Reporting Period)

TASK: IES PROGRAM MANAGEMENT

Coordinate support to RJO to include the coordination of LRU availability between RJO and LMVS.

Continue to support PVS IPT and future production cost reduction efforts; a PVS plan and a baseline future production cost estimate should be developed for review.

Continue to support COR IPT efforts.

Continue to support ATAM/STEP cost reduction efforts

5.9.4 Reasons for Delay

None

5.9.5 Significant Problems

None

5.9.6 Trips

None

5.9.7 Digital Summarization

None

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