

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>			1. CONTRACT ID CODE	PAGE OF PAGES 1 4
2. AMENDMENT/MODIFICATION NO. 0001	3. EFFECTIVE DATE 12/20/07	4. REQUISITION/PURCHASE REQ. NO. N/A	5. PROJECT NO. (If applicable)	
6. ISSUED BY Naval Research Laboratory, Code 3220.TB 4555 Overlook Ave., SW Building 222, Room 115 Washington, DC 20375	CODE N00173	7. ADMINISTERED BY (If other than Item 6) CODE		
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)  TO ALL OFFERORS		(X)	9A. AMENDMENT OF SOLICITATION NO. N00173-08-R-TB02	
			9B. DATED (SEE ITEM 11) 12/19/08	
			10A. MODIFICATION OF CONTRACT/ORDER NO.	
			10B. DATED (SEE ITEM 11)	
CODE	FACILITY CODE			
<b>11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS</b>				
<input checked="" type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers <input type="checkbox"/> is extended, <input checked="" type="checkbox"/> 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 <u>0</u> copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR 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 your 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)				
<b>13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.</b>				
CHECK ONE	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.			
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).			
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:			
	D. OTHER (Specify type of modification and authority)			
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input type="checkbox"/> 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.)				
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)		
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED	
_____ (Signature of person authorized to sign)		_____ (Signature of Contracting Officer)		

The purpose of this amendment is to increase the required Level of Effort set forth in Section H and to increase the Material Estimate set forth in Section L.

Effective the date of this Amendment:

## 1. SECTION H - SPECIAL CONTRACT REQUIREMENTS

**H-3 ONR 5252.216-9706 - LEVEL OF EFFORT (DEC 88) is amended to read as follows:**

- (a) The Contractor agrees to provide the total level of effort specified in the next sentence in performance of the work described in this contract. The total level of effort for performance of this contract shall be 20,800 total hours of direct labor, for the base year and each Option year if exercised, including subcontractor direct labor for those subcontractors specifically identified in the Contractor's proposal as having hours included in the proposed level of effort. A breakdown of labor categories and hours is set forth in paragraph (k) below.
- (b) The level of effort for this contract shall be expended at an average rate of 1,733 hours per month for the base year and each Option year, if exercised. It is understood and agreed that the rate of hours per month may fluctuate in pursuit of the technical objective, provided such fluctuation does not result in the use of the total hours of effort prior to the expiration of the term of the contract.
- (c) The Contractor is required to notify the Contracting Officer when any of the following situations occur, or are anticipated to occur: If during any three consecutive months the monthly average is exceeded by 25% or, if at any time it is forecast that during the last three months of the contract less than 50% of the monthly average will be used during any given month; or, when 85% of the total level of effort has been expended.
- (d) If, during the term of the contract, the Contractor finds it necessary to accelerate the expenditure of direct labor to such an extent that the total hours of effort specified would be used prior to the expiration of the term, the Contractor shall notify the Contracting Officer in writing, setting forth the acceleration required, the probable benefits which would result, and an offer to undertake the acceleration at no increase in the estimated cost or fixed fee together with an offer setting forth a proposed level of effort, cost breakdown, and proposed fixed fee for continuation of the work until expiration of the term hereof. The offer shall provide that the work proposed will be subject to the terms and conditions of this contract and any additions or changes required by then current law, regulations, or directives, and that the offer, with a written notice of acceptance by the Contracting Officer, shall constitute a binding contract. The Contractor shall not accelerate any effort until receipt of such written approval by the Contracting Officer. Any agreement to accelerate will be formalized by contract modification.
- (e) The Contracting Officer may, by written order, direct the Contractor to accelerate the expenditure of direct labor such that the total hours of effort specified in paragraph (a) above would be used prior to the expiration of the term. This order shall specify the acceleration required and the resulting revised term. The Contractor shall acknowledge this order within five days of receipt.
- (f) If the total level of effort specified in paragraph (a) above is not provided by the Contractor during the term of this contract, the Contracting Officer shall either (i) reduce

the fixed fee of this contract as follows:

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

or (ii) subject to the provisions of the clause of this contract entitled "Limitation of Cost," require the Contractor to continue to perform the work until the total number of hours of direct labor specified in paragraph (a) shall have been expended, at no increase in the fixed fee of this contract.

(g) In the event the government fails to fully fund the contract in a timely manner, the term of the contract may be extended accordingly with no change to cost or fee. If the government fails to fully fund the contract, the fee will be adjusted in direct proportion to that effort which was performed.

(h) Notwithstanding any of the provisions in the above paragraphs, the Contractor may furnish hours up to five percent in excess of the total hours specified in paragraph (a) above, provided that the additional effort is furnished within the term hereof, and provided further that no increase in the estimated cost or fixed fee is required, and no adjustment in the fixed fee shall be made provided that the Contractor has delivered at least 95% of the level of effort required in paragraph (a) above.

(i) It is understood that the mix of labor categories provided by the Contractor under the contract, as well as the distribution of effort among those categories, may vary considerably from the initial mix and distribution of effort which was estimated by the government or proposed by the Contractor.

(j) Nothing herein shall be construed to alter or waive any of the rights or obligations of either party pursuant to the Clause entitled "Limitation of Costs" or "Limitation of Funds," either of which clauses as incorporated herein applies to this contract.

(k) The anticipated breakdown by labor category of the total level of effort is as follows:

<b>Labor Category</b>	<b>Basic Effort</b>	<b>Option I</b>	<b>Option II</b>	<b>Option III</b>	<b>Option IV</b>
Team Leader	2080	2080	2080	2080	2080
Technical Specialist Maintenance Manager	4160	4160	4160	4160	4160
Senior Flight Test and Evaluation (T&E) Engineer	2080	2080	2080	2080	2080
Technical Specialist Project Coordination	4160	4160	4160	4160	4160
Technical Specialist Electronics	2080	2080	2080	2080	2080
Technical Specialist Electrical	2080	2080	2080	2080	2080
Administrative Manager MSD	2080	2080	2080	2080	2080
Administrative Manager Maintenance/Material Control	2080	2080	2080	2080	2080
<b>Total</b>	<b>20,800</b>	<b>20,800</b>	<b>20,800</b>	<b>20,800</b>	<b>20,800</b>

