

2. Amendment/Modification No. P00036	3. Effective Date 2004SEP25	4. Requisition/Purchase Req No. SEE SCHEDULE	5. Project No. (If applicable)
---	--------------------------------	---	--------------------------------

6. Issued By TACOM WARREN SFAE-GCS-W-BCTP BRIAN THELEN (586)753-2118 WARREN, MICHIGAN 48397-5000 HTTP://CONTRACTING.TACOM.ARMY.MIL EMAIL: THELENB@TACOM.ARMY.MIL	Code	W56HZV	7. Administered By (If other than Item 6) DCMA DETROIT U.S. ARMY TANK & AUTOMOTIVE COMMAND (TACOM) ATTN: DCMAE-GJD WARREN, MI 48397-5000	Code	S2305A
			SCD C PAS NONE ADP PT HQ0337		

8. Name And Address Of Contractor (No., Street, City, County, State and Zip Code) GM GDLS DEFENSE GROUP LLC, JOINT VENTURE 38500 MOUND ROAD STERLING HEIGHTS, MI. 48310-3260 TYPE BUSINESS: Large Business Performing in U.S.	<input type="checkbox"/>	9A. Amendment Of Solicitation No.
	<input type="checkbox"/>	9B. Dated (See Item 11)
	<input checked="" type="checkbox"/>	10A. Modification Of Contract/Order No. DAAE07-02-C-B001
	<input type="checkbox"/>	10B. Dated (See Item 13) 2002MAY18
Code INLE2	Facility Code	

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: AH NET INCREASE: \$10,086,576.00

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

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

<input type="checkbox"/>	A. This Change Order is Issued Pursuant To: The Contract/Order No. In Item 10A.	The Changes Set Forth In Item 14 Are Made In
<input type="checkbox"/>	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).	
<input checked="" type="checkbox"/>	C. This Supplemental Agreement Is Entered Into Pursuant To Authority Of: Mutual Agreement	
<input type="checkbox"/>	D. Other (Specify type of modification and authority)	

E. IMPORTANT: Contractor is not, is required to sign this document and return _____ copies to the Issuing Office.

14. Description Of Amendment/Modification (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

SEE 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) CONSTANCE M. TUCKER TUCKERC@TACOM.ARMY.MIL (586)753-2019
15B. Contractor/Offeror (Signature of person authorized to sign)	15C. Date Signed
	16B. United States Of America By _____ /SIGNED/ (Signature of Contracting Officer)
	16C. Date Signed 2004SEP25

CONTINUATION SHEET	Reference No. of Document Being Continued PIIN/SIIN DAAE07-02-C-B001 MOD/AMD P00036	Page 2 of 10
Name of Offeror or Contractor: GM GDLS DEFENSE GROUP LLC, JOINT VENTURE		

SECTION A - SUPPLEMENTAL INFORMATION

1. This Modification 36 to Contract DAAE07-02-C-B001 is a supplemental agreement.

2. The purpose of this modification is to incorporate the following changes:
 - a. The annual OPTEMPO for deployed vehicles is estimated at 12,000 miles for 310 vehicles. Total funded mileage for deployed vehicles is 7,440,000 miles.
 - b. Add Paragraphs H.28.1, H.28.2, H.28.3, H.28.4, H.29.3, H.29.3.1, H.29.3.2, H.29.3.3 and H.29.3.4 to Section H.
 - c. Add Paragraphs C.20.34, C.20.35, C.20.36 to Section C.

3. With the preparation for the deployment of a second Brigade (for two Brigades deployed) identified in paragraph 2a above, the parties agree that all other requirements for the estimated 900 vehicles either fielded or to be fielded in FY05 supporting the first three (3) Brigades, whether CONUS or OCONUS, are fully funded for the scope identified herein. If the decision is to deploy a second Brigade during FY05, the PCO will exercise the options as appropriate in H.29.3.

4. Recognizing various adjustments, credits and updated estimated costs per mile, the total adjustment for these additional scopes of work including Phase 1 of the Reset Program, is \$10,086,576 to CLIN 0004AB.

Estimated Cost	-	\$9,275,012
Fixed Fee (8.75%)	-	\$811,564
Total Estimate Amount	-	\$10,086,576

5. Except as specifically stated above, all other terms and conditions of the contract remain unchanged and in full force and effect.

*** END OF NARRATIVE A 039 ***

Name of Offeror or Contractor: GM GDLS DEFENSE GROUP LLC, JOINT VENTURE

SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

C.20.33 European Distribution Center (EDC), Forward Repair Area (FRA), and OCONUS Expeditor

C.20.33.1 General. Deployment Support

The Contractor shall support and manage separate support OCONUS sites. The Contractor shall be responsible for maintaining the inventory of spare and repair parts and components at these sites. The Contractor shall repair and replace Stryker parts required to support deployed vehicles. The Government will initiate actions to implement a special priority assistance (BXA application) in support of this effort that can be flowed down to all applicable parts (s) and repair component vendors. This requirement is support for a 12-month Stryker deployment. In addition, pre-deployment/ramp-up activities and contract close-out will be performed for each OCONUS site described below.

C.20.33.2 European Distribution Center (EDC)

The Contractor shall manage a European Distribution Center (EDC) in Germany. The Government will supply the Contractor with warehouse, work space, and warehouse personnel to augment contractor requirements.

C.20.33.2.1 Contractor shall control, manage, store, and prepare for shipment all spare and repair parts to and from the deployed area for the SBCT Brigade. The Government will be responsible for the evacuation of supplies and parts to and from the Theatre of operations to the European Distribution Site.

C.20.33.2.1.1 Contractor shall comply with all Supply Support requirements set forth in C.7.

C.20.33.2.1.2 Hours of operation at the EDC shall be as required to support the required activity and maintain the flow of parts to and from theatre.

C.20.33.2.1.3 The Contractor shall control and track all unserviceable parts from the EDC to the repair facilities and return. The Contractor shall upon receipt of the returned part prepare in Contractor format the daily tracking data on each repair part. The Contractor shall perform its best efforts to ensure all retrograde repairables shipped to repair facilities shall be repaired/replaced and returned to the EDC within 30 days. In addition, the parties agree that an initial 90-day evaluation period will take place to validate the 30-day criteria. After 90-days, both parties will review current information and will mutually determine and establish the number of days required to return repairable components back to the EDC. If after the initial 90 day evaluation period, there is not enough information to reach a mutually agreed upon decision, the evaluation period will be extended for another 90 days. At the conclusion of the second 90-day evaluation period, both parties will review information obtained to determine and establish the turnaround time necessary for return of repairable components to the EDC. The Contractor will provide a daily parts tracking report to the Government Lead at the EDC in accordance with CDRL A018 identifying the status of the parts, locations and their due in dates. The Contractor shall be responsible for the shipment of parts to and from repair facilities using Government funded transportation.

In the event the delay in returning repaired or replacement parts could impact theatre operations, the Contractor shall obtain required parts from other available sources, including production. If parts are obtained from the production line, the repaired parts can, under the commingling provision (C.17.2) of this contract, backfill production parts if they are not required to maintain in-theater support.

C.20.33.3 Forward Repair Activity (FRA)

The Contractor will establish a Forward Repair Area (FRA) in theatre.

The following function will occur at the FRA:

- The Contractor shall receive, store, and forward repair parts to the Echelons Above Brigade (EAB) element.
- The Contractor shall perform limited repair to specific Stryker unique components at the FRA.
- The Contractor shall prepare for shipment all parts required to be repaired outside of theater and sent to the EDC.
- The Government shall be responsible for the cost of evacuating repairable parts. Components not repairable forward, shall be shipped to the EDC via Military Air. When Military Air or other Government transportation is not available, the Contractor, with the approval of the Government, may arrange for commercial transportation. The Government will be responsible for obtaining clearances and, if applicable, duty free import and export of repaired or replaced supplies to and from theatre.

C.20.33.4 Marking and Tracking

The Contractor shall use standard practices for tracking and reporting repairable items moved under this method. The Contractor shall assure parts are conspicuously marked and shall include the following information:

- (1) Associate Line Replaceable Unit (LRU) serial number
- (2) Vehicle Serial Number
- (3) Part Number
- (4) Job Order Number (JON)

C.20.33.5 OCONUS Expeditor

Contractor shall augment Government personnel in support of Stryker Brigade OCONUS deployments to provide coordination support in Southwest Asia to facilitate the expedited movement of parts, spare and repair parts, and personnel. Contractor shall provide assistance to inbound & outbound personnel to ensure that all requirements are met.

CONTINUATION SHEET	Reference No. of Document Being Continued	Page 5 of 10
	PIIN/SIIN DAAE07-02-C-B001	MOD/AMD P00036
Name of Offeror or Contractor: GM GDLS DEFENSE GROUP LLC, JOINT VENTURE		

C.20.34 Reset of Deployed Vehicles.

The Stryker Reset effort shall be executed in the following three (3) phased efforts.

C.20.34.1 Phase 1 - Evaluation and Assessment.

The Contractor shall evaluate, assess and recommend a Reset strategy based on inspection, disassembly, and teardown analysis of four (4) pilot vehicles.

C.20.34.1.1 Four (4) pilot deployed vehicles shall be returned from the theater of operation through Kuwait to a contractor designated site to perform the vehicle assessment. In Kuwait, the Contractor shall inspect the vehicles on receipt in Kuwait, inventory, clean in accordance with AMC/MTMC standards.

C.20.34.1.2 Teardown Analysis and Evaluation. The four vehicles will be shipped to the Contractor's facility. The contractor shall disassemble the vehicles. The contractor shall complete a teardown analysis of both the LRU's and Hull Structure. As required to generate each alternative, the Contractor shall ship LRU's to various vendors to assess major assemblies or other components for their evaluation and assessment. The Contractor shall inspect and x-ray the hull structure. The Contractor shall brief the outcome of the status of the effort, status and evaluations at the meetings identified in 20.34.4.

C.20.34.1.3 Alternatives. Based on the results of the analysis the Contractor shall develop recommendations on a reset strategy. The range of alternatives shall consider and evaluate full "zero time" or "zero hour" reset of the vehicles to the other extreme of a limited "super service" or procedures to extend the fleet in theatre for a 3rd rotation.

At a minimum the contractor shall develop and identify the reset strategies (including the estimated cost, facility requirements and schedule). The assessment will address the resulting vehicle performance to refurbish and/or replace parts and components based on a minimum of three different performance requirements. The vehicles shall be evaluated for reset of the deployed fleet based on the results of the inspection, teardown and disassembly reset based on three alternatives:

- 1) to obtain an additional year of deployment OPTEMPO or a third rotation
- 2) to obtain two additional years of deployment OPTEMPO
- 3) Cost and schedule to reset vehicles to a "zero miles" and "zero" hours conditions.

C.20.34.1.4 Lead-times/Schedule for the Recommended Reset Alternative.

The contractor shall gather historical data to make a determination of critical spare parts required for each Reset alternative. This documentation would identify items with the longest lead time required to support the effort.

C.20.34.1.5 Recommendations. The contractor will present both the final analysis, cost estimates and the Contractor recommendations presented to the Government not later than 1 February 2005.

C.20.34.1.6 Reset Plan. The contractor shall develop a Reset Pilot and Production Plan the alternative selected as the Reset Strategy. The plan shall address all efforts required to reset each Stryker configuration in the deployed Brigade. The Contractor shall provide Reset pilot and production plan recommendations/lead-time and process plans to the Program Manager and brief at the meetings identified herein.

C.20.34.2 Phase 2. (Option) The contractor shall run a pilot reset program based on the results of the assessment, evaluation and the selected strategy or strategies for reset.

C.20.34.2.1 The four pilot vehicles consist up of two Infantry Carrier Vehicles (ICV's), one Reconnaissance Vehicle (RV) and one Anti-Tank Guided Missile Vehicle (ATGM).

C.20.34.2.2 Schedule. The four (4) pilot vehicles reset and ready for issue by 31 May 2005.

C.20.34.3 Phase 3 (Option) for Fleet Reset.

The third Phase is the actual reset of the deployed fleet based on direction and guidance from DA. The contractor shall be required to perform a total reset of the Stryker family of vehicles in the Brigade.

C.20.34.4 Meetings

C.20.34.4.1 Start of Work. A start of work meeting will be held 15 days upon contract award or as otherwise directed by the PCO. The meeting will be hosted by the contractor to establish lines of communication and develop a full understanding of the contract intent. The contractor shall deliver an agenda five (5) working days prior to the scheduled meeting. The contractor shall be responsible for minutes to this meeting.

C.20.34.4.2 Program Status Review (PSR). A Program Status Review (PSR) shall be scheduled thirty (30) DAC award. This review shall be to discuss any and all issues pertaining to this contract. Additional PSR meetings shall be determined by contract progress and shall be mutually agreed upon by contractor and Government. The contractor shall prepare and deliver the agenda five (5) working days prior to the scheduled meeting. The contractor will be responsible to provide minutes from these meetings.

CONTINUATION SHEET	Reference No. of Document Being Continued	Page 6 of 10
	PIIN/SIIN DAAE07-02-C-B001	MOD/AMD P00036

Name of Offeror or Contractor: GM GDLS DEFENSE GROUP LLC, JOINT VENTURE

C.20.34.4.3 Other Meetings. The contractor shall provide the final briefing on the Reset Evaluation and Recommendation not later than 1 February 2005. The briefing shall be presented at site designated the by PCO. The contractor shall prepare, host and conduct monthly meetings on the progress, status and result of the reset evaluation of the four (4) pilot vehicles and the recommended plan for the full reset program. During phase 3 of the reset, the Contractor shall brief the progress and status and any issue related to the reset program in the Stryker weekly production reviews.

C.20.34.5 IETM Standards. Contractor shall use as baseline the current Stryker IETM's for 3rd Brigade configuration. All existing retrofits to 3rd Brigade configuration to include hardware and software shall be installed at this time. Any Contractor Changes (COTPIs or PIN as defined in the appendix to this contract), Government directed ECP's, and or MWO's that have been approved and funded shall be applied at this time. Repair any existing corrosion and spot paint the vehicle to prevent further spread of corrosion.

C.20.34.6 Reset Quality Assurance Plan (QAP) The contractor shall develop a quality assurance plan for Reset. The plan shall be submitted for review and approval per the requirements of CDRL A022. The plan must include a proposed Reset checklist that ensures fully functional and compliant Reset vehicles. The proposed checklist shall be validated during the Pilot effort for use, subject to Government approval during the Phase 3 program.

C.20.34.7 Location for Phase 3 Reset (Option). Location/locations for the remainder of the fleet or Phase 3 effort is/are TBD.

C.20.34.8 Period of Performance Reset. Reset of a complete Brigade of vehicles is required within twelve (12) months of receipt of the first vehicles.

C.20.34.9 Warranty Applicable to Reset. All "greater" warranties provided by the parts or component manufacturers shall be passed through to the Government.

C.20.34.9.1 The Contractor shall ensure workmanship and all work is performed in accordance applicable work standards. The vehicles shall meet existing hand-off criteria. The Contractor shall provide and maintain an inspection system acceptable to the Government covering the services under this contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to the Government during contract performance and for as long afterwards as the contract requires.

C.20.34.9.2 Inspection. The Government has the right to inspect and test all completed Reset vehicles called for by the contract, to the extent practicable at all places and times during the term of the contract.

If any of the services performed do not conform with contract requirements at C.20.34.6, the Government may require the Contractor to perform the services again in conformity with contract requirements, for no additional fee.

C.20.34.10 Quality Assurance The contractor shall establish, implement, document, and maintain a quality system to ensure conformance to contract requirements. There shall be a new Quality Assurance Provisions (QAP's) generated by this program. Existing QAP's modified if required will be used to determine the conformance of this contractual requirement. Final inspection and acceptance of the end item shall be at the either the FTLW fielding site or contractors site.

C.20.34.11 Maintenance and Update/Upgrade of the Reset Vehicles. A Technical Inspection (TI) shall be performed and documented by vehicle serial number at a site specified by the Government before shipment to the contractor's facility. All Basic Issue Items (BII) will be inventoried at this time. Another TI shall be performed when the vehicles reach the contractors facility. The BII will again be inventoried at this time. All mandatory replacement parts identified in the Stryker series of Interactive Electronic Technical Manuals shall be replaced in this reset effort. All scheduled services per the Stryker series of IETM's shall be completed as part of the reset program. Any approved and funded Government directed performance changes (or ECP's) funded under Delivery Order 0011 to the Stryker Contractor, any Contractor approved engineering changes necessary to meet performance (identified as Changes Other Than Product Improvement (COTPIs) under the Stryker Requirements Contract) or approved Modified Work Order (MWO) shall be applied to the Stryker family of vehicles at this time. All software upgrades shall be applied at this time provided all safety releases are documented. Identification tags or similar markings shall be applied to the vehicle or vehicle system to inform personnel of what modification has been applied, and what version software is installed in the vehicle systems.

C.20.34.12 Configuration Management. The contractor shall be responsible for developing and maintaining configuration control. The contractor shall establish and provide an Engineering Release Record (ERR) to establish the reset baseline configuration. The Contractor shall identify the applicable engineering drawings and associated specifications that define the reset configuration.

The Configuration Management (CM) system per Stryker Requirements Contract shall apply to the reset program.

C.20.34.13 Support Equipment.

C.20.34.13.1 Any special tools and test equipment required to complete this effort shall be the responsibility of the contractor unless otherwise specified herein. Power pack stands required to set complete power packs on while performing required maintenance procedures shall be supplied by the Contract. Support equipment shall be the responsibility of the contractor.

CONTINUATION SHEET	Reference No. of Document Being Continued	Page 7 of 10
	PIIN/SIIN DAAE07-02-C-B001	MOD/AMD P00036

Name of Offeror or Contractor: GM GDLS DEFENSE GROUP LLC, JOINT VENTURE

Unless otherwise determined, the Government will supply material handling equipment capable of lifting a minimum of 4,000 pounds to move material over improved and unimproved terrain and lifting devices to lift power packs or other heavy modules out of and into the vehicle

C.20.34.14 Parts and Material

C.20.34.14.1 The contractor shall be responsible for identifying, ordering, and obtaining parts support for the reset program in the time frame specified. All mandatory replacement parts listed in the Stryker series of technical manuals should be on hand at the beginning of this effort. Any items with long lead times shall be identified, procured if not repairable, and stored by the contractor in support of this effort. The contractor shall be required to provide the Government a summary of parts procured for this effort. Shortages identified such as BII and other GFE will be identified and reported to the US Government for determination of replenishment. This information shall be briefed at the meeting identified in 20.34.4.

C.20.34.14.2 Parts usage shall be tracked by the contractor. The Government may request the usage data at any time separately identified under CDRL A003.

C.20.34.14.3 Disposal of worn out, broken, or non repairable parts shall be the responsibility of the contractor. All cadmium and hexavalent chromium coated parts shall be disposed of by the Contractor at no cost to the Government per the terms of the Stryker Requirements Contract and approved waivers. All other parts shall be disposed by the Contractor. Disposal shall not create an environmental hazard.

C.20.34.15 Preservation and Packaging

Preservation and packaging shall be to standard commercial preservation and packaging unless otherwise specified by the Government.

C.20.34.16 Shipping

Phase 1: Vehicle will be shipped by the Government in accordance with the established AMC/MTMC SWA procedures.

Phase 2 Upon completion of this phase, the Government will provide shipping instructions for and fund shipping (FOB origin).

C.20.35 Battle Damage Repairs

C.20.35.1 The contractor shall assess and repair battle damaged vehicles in theater during deployment or contingency operation under the following conditions:

- 1) The anticipated cost of repair does not exceed \$500,000
- 2) The repairs are within the field personnel's capabilities
- 3) The repairs can be performed using existing repair parts in theater or through direct deliveries from vendors.

C.20.35.2 Costs for repair shall be charged to CLIN 0004 (deployment).

C.20.35.3 If the initial assessment identifies a repair above the field personnel's capabilities, parts availability or are greater than \$500,000, the contractor will report to the government the requirements and costs associated with completing these repairs with recommended solutions. A formal request will be processed for PCO approval and an equitable adjustment or for other disposition instructions.

C.20.35.4 Contractor may request dropping battle damaged vehicles from ORR reporting to the COR.

*** END OF NARRATIVE C 007 ***

CONTINUATION SHEET

Reference No. of Document Being Continued

Page 8 of 10

PIIN/SIIN DAAE07-02-C-B001

MOD/AMD P00036

Name of Offeror or Contractor: GM GDLS DEFENSE GROUP LLC, JOINT VENTURE

SECTION G - CONTRACT ADMINISTRATION DATA

LINE	PRON/ AMS CD/ <u>ITEM</u> <u>MIPR</u>	<u>ACRN</u>	<u>OBLG STAT/</u> <u>JOB ORD NO</u>	<u>PRIOR AMOUNT</u>	<u>INCREASE/DECREASE</u> <u>AMOUNT</u>	<u>CUMULATIVE</u> <u>AMOUNT</u>
0004AB	X14GXDCAX1 13519800000 X14GXDC00000	AH	1 4GXDC	\$ 179,168,427.00	\$ 10,086,576.00	\$ 189,255,003.00
				NET CHANGE	\$ 10,086,576.00	

<u>SERVICE</u> <u>NAME</u>	<u>NET CHANGE</u> <u>BY ACRN</u>	<u>ACCOUNTING CLASSIFICATION</u>	<u>ACCOUNTING</u> <u>STATION</u>	<u>INCREASE/DECREASE</u> <u>AMOUNT</u>
Army	AH	21 42020000045R5R07P1351982571 S20113	W56HZV	\$ 10,086,576.00
				NET CHANGE \$ 10,086,576.00

	<u>PRIOR AMOUNT</u> <u>OF AWARD</u>	<u>INCREASE/DECREASE</u> <u>AMOUNT</u>	<u>CUMULATIVE</u> <u>OBLIG AMT</u>
NET CHANGE FOR AWARD:	\$ 345,548,314.00	\$ 10,086,576.00	\$ 355,634,890.00

CONTINUATION SHEET	Reference No. of Document Being Continued	Page 9 of 10
	PIIN/SIIN DAAE07-02-C-B001 MOD/AMD P00036	
Name of Offeror or Contractor: GM GDLS DEFENSE GROUP LLC, JOINT VENTURE		

SECTION H - SPECIAL CONTRACT REQUIREMENTS

H.28 CONTINUITY OF PERFORMANCE

H.28.1 The Parties agree that the cost estimates in this contract are predicated on continuous service. If the Government fails to add additional months of support no later than four (4) months prior to the stated completion date of the current contract, the final six weeks of the current contract effort for any given scope (deployment or peacetime) or any CLIN convert to close out effort. Performance will be terminated six weeks prior to the stated completion date and the contractor will pack up and clear out all personnel and support operations, stop all repair or replacement activities and any other performance requirements.

H.28.2 Call Up Deadline for Continuity of Performance. Call up of a follow-on requirement either by exercise of option or supplemental agreement to the current contract or by issuing a new contract must be awarded at least four (4) months prior to the end of the stated performance period. Failure to do so by the Government, effectively terminates the performance requirements for the last six weeks of this contract. The last six weeks prior to the stated completion date becomes the close out period.

H.28.3 Liability of the Government for Close Out Costs. An equitable adjustment for the close out costs shall be negotiated by the parties. Under no circumstances will the total estimated amount for performance and the cost for close out exceed the current estimated total contract amount and associated fee.

H.28.4 Disputes. If the parties cannot agree on an equitable adjustment, the Government has the unilateral right to adjust the contract for the reduced support subject to the "Disputes" clause.

H.29 CONTINGENCY DEPLOYMENT SUPPORT OPTION

H.29.1. The Government shall have the unilateral right to exercise the Option specified in Paragraph C.20. entitled "Contractor Support During Contingency Operations". The period of performance for this option is estimated to be twelver (12) months OCONUS and esimated to be sixteen (16) months for CONUS if exercised. The Government shall have the right to exercise the Contingency Deployment Support Option inaccordance with the phases and prices described in H.29.2 below.

H.29.2 The Government shall exercise the Contingency Deployment Support Option in several distinct phases.

H.29.2.1. Phase 1 - Ramp up to prepare for six (6) months of deployment support. Upon exercise of this phase the Contractor shall immediately initiate all activities necessary (Identification of deployment staff, and CONUS support to order, receive and package parts, including slat deployment armor, for deployment) to prepare for six month deployment support. Total Value of Option: \$15,088,175 (inclusive of \$683 for Facilities Capital Cost of Money and 8.75% fixed fee)

H.29.2.2. Phase 2 - Ramp up for an extended deployment of six (6) additional months (beyond phase 1). Phase 2 is contingent on the exercise of Phase 1 of the Deployment Support Option. Upon exercise of this option the Contractor shall immediately intiate all activities necessary to prepare for a deployment of an additional six (6) months but not longer than a total of twelve (12) months (inclusive of Phase 1). Total Value of Option: \$15,000,000 (inclusive of \$611 for Facilities Capital Cost of Money and 8.75% fixed fee)

H.29.2.3. Phase 3 - Deployment execution for a period not greater than six (6) months of deployment support. Upon excercise of this option the Contractor shall fully execute the deployment scope of work as identified in Paragraph C.20. PCO will provide additional direction / information IAW C.20 of the SOW. Total Value of Option: \$6,399,110 (inclusive of \$260 for Facilities Capital Cost of Money and 8.75% fixed fee)

H.29.2.4. Phase 4 - Deployment execution for an extended deployment of six (6) additional months (beyond phase 3). Phase 4 is contingent on the exercise of Phase 2 and Phase 3 of the Deployment Support Option. The Government may exercise this phase by providing the contractor notice within approximately 30 days prior to the completion of Phase 3. Upon exercise of this phase the Contractor shall fully execute the scope of work to support a deployment of an additional six (6) months, but not longer than a total of twelve (12) months inclusive of Phase 4. Total Value of Option: \$6,399,112 (inclusive of \$261 for Facilities Capital Cost of Money and 8.75% fixed fee)

H.29.3 The Government shall exercise the Follow-on Contingency Support for Two Brigades Deployed Simultaneously in several phases.

H.29.3.1 For FY 04, Phase 1 - Preparation for Deployment. Upon exercise of this option, the contractor shall begin the ramp up for support of a two Brigade Deployment. Upon exercise of this phase the Contractor shall initiate all activities necessary to prepare for an estimated total 12 month deployment or approximately 12,000 miles per vehicle. The contractor shall consider economic ordering quantities and shall predicate planning around the 12,000 miles objective for two simultaneously deployed Brigades. These activities include but are not limited to identification of deployment support staff, CONUS support to determine parts requirements, to order, receive and package parts for deployment. This modification provides funding for preparation to deployment that equates to 1,545,588 miles funded for a second brigade deployed. (Exercised and Funded)

H.29.3.2 For FY04, Phase 2 - Preparation for Deployment. Upon exercise of this option, the contractor shall execute final ramp up and preparation for deployment for an extended deployment of an additional six (6) months. Phase 2 is contingent on Phase 1 of the

CONTINUATION SHEET	Reference No. of Document Being Continued	Page 10 of 10
	PIIN/SIIN DAAE07-02-C-B001	MOD/AMD P00036

Name of Offeror or Contractor: GM GDLS DEFENSE GROUP LLC, JOINT VENTURE

Deployment Option for support Two Brigades Simultaneously Deployed). Upon exercise of this option the Contractor shall immediately initiate all activities necessary to prepare to support deployment of an additional six (6) months for deployment but not longer than a total of 12 months, of two Brigades deployment OCONUS. Total value of this option: TBD

H.29.3.3 For FY05, Phase 3 Deployment Execution. The Contracting Officer may exercise this option by providing the contractor written notice approximately 30 days prior to the scheduled deployment. The Phase 3 covers a deployment for a period not greater than six months. Upon exercise of this option the Contractor shall fully execute the scope of work as identified in C.20 herein. The Contracting Officer will provide additional direction and information IAW C.20 of this contract. Total value of this Option TBD.

H.29.3.4 For FY05, Phase 4 Deployment Execution. Phase 4 deployment execution support an OCONUS deployment for a period not greater than six additional months of deployment (beyond phase 3) or a total period of not more than 12 months of deployment for two Brigades. This option is contingent on the exercise of Phase 3 Option. The Government may exercise this option by providing the contractor written notice approximately 30 days prior to the completion of phase 3. Upon exercise of this option the Contractor shall fully execute deployment scope of work as identified in C. 20 herein for the additional six months of deployment support, but not longer than a total of twelve (12) months of deployment. Total Value of the Option: TBD.

H.30 OCONUS Reach Back - TBD

H.30.1. The Government and the Contractor shall mutually develop the scope related to this option provision.

H.31 Direct Material / Parts Adjustment Clause

H.31.1. The parties recognize that parts processed under this contract may be covered by terms and requirements of Contract DAAE07-00-D-M051, or the Transition provisions of the ICLS contract (C.16). This includes the requirements of the warranty provisions (H15), Corrections of Deficiencies (E.13), Conditional Acceptance modifications, and /or other performance requirements of the Stryker requirements contract and associated delivery orders and modifications. Accordingly, a process, as described below, shall be used to determine whether the charge for a part or repair cost is a charge to contract DAAE07-00-D-M051 or any other related contract or this ICLS contract.

H.31.2. All incurred costs for direct material/parts shall be reviewed and evaluated by the Contracting Officer to determine if the costs are allowable and allocable to this contract or to Contract DAAE07-00-D-M051 or any related contract.

H.31.3. Within 60 days of notification from the Contracting Officer, the Contractor shall submit a comprehensive report for all actual costs incurred for direct material / parts as of the date specified in the notification from the Contracting Officer and the basis for not charging to the Stryker requirements contract and charging to the ICLS contract.

H.31.4. Upon receipt of the Contractor's comprehensive report, the Contracting Office shall perform a review and evaluation, as prescribed under FAR Part 31, to determine the allowability and allocability of all incurred material/parts costs under this contract.

H.31.5. The results of the incurred cost material/parts review and the determination made by the Contracting Officer that the parts are allowable and allocable to this contract shall not be the basis for any adjustment to fee.

H.31.6. Any costs determined to be inappropriately charged to this contract will be deleted from the estimated costs obligated on the affected CLINs.

H.32 Deployment Re-Opener Clause

H.32.1. In the event that the 2nd Stryker Brigade Combat Team (SBCT) deploys OCONUS, the base ICLS contract period of performance will be adjusted accordingly.

*** END OF NARRATIVE H 009 ***