

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. Contract ID Code
Firm Fixed Price

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2. Amendment/Modification No. 21	3. Effective Date 2014FEB20	4. Requisition/Purchase Req No. SEE SCHEDULE	5. Project No. (If applicable)
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6. Issued By U.S. ARMY CONTRACTING COMMAND JASON LADD WARREN, MICHIGAN 48397-5000 HTTP://CONTRACTING.TACOM.ARMY.MIL EMAIL: JASON.LADD1@US.ARMY.MIL	Code W56HZV	7. Administered By (If other than Item 6) DCMA PHILADELPHIA 700 ROBBINS AVENUE, BLDG 4-A P.O. BOX 11427 PHILADELPHIA PA 19111-0427	Code S3915A
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8. Name And Address Of Contractor (No., Street, City, County, State and Zip Code) BAE SYSTEMS LAND & ARMAMENTS L.P. 1100 BAIRS RD YORK, PA 17408-8975	<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. W56HZV-10-G-0003/0010
	<input type="checkbox"/>	10B. Dated (See Item 13) 2011SEP30
Code 06085	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)

NO CHANGE TO OBLIGATION DATA

**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 between parties
<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) DOREEN J. COSTA DOREEN.J.COSTA@US.ARMY.MIL (586)282-7076		
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 2014FEB20

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Name of Offeror or Contractor: BAE SYSTEMS LAND & ARMAMENTS L.P.		

SECTION A - SUPPLEMENTAL INFORMATION

Buyer Name: JASON LADD
Buyer Office Symbol/Telephone Number: CCTA-AHLA/(586)282-7107
Type of Contract: Firm Fixed Price
Kind of Contract: System Acquisition Contracts
Type of Business: Large Business Performing in U.S.
Surveillance Criticality Designator: C
Weapon System: BFVS(M2, M2A1, M2A2),BFVS(M3, M3A1,M3A2)

*** End of Narrative A0000 ***

W56HZV-10-G-0003
Delivery Order: 0010
Modification: 21
Prepared by: JDL

Previous Amount on Delivery Order: \$645,800,835.00
Amount of this action: \$0.00
Current Delivery Order Amount: \$645,800,835.00

1. The purpose of this bilateral Modification 21 to Basic Ordering Agreement W56HZV-10-G-0003 is to incorporate Deviation G003-D-052, titled: To allow acceptance and use of the Common Intelligent Display (CID), Part No. 12540726, manufactured with a Hexavalent Chromium chemical conversion process prohibited by Performance Specification 12555235. Deviation G003-D-052 shall only apply to vehicles that have not yet been delivered or accepted by the Government, and is not approved for any previously delivered and accepted vehicles to the Government. The list of undelivered or unaccepted vehicles that apply to this agreement are as follows:

<u>CLIN</u>	<u>ELIN</u>	<u>Quantity</u>	<u>Delivery Due</u>
0006	C010	1	31 MAR 2014
0007	C015	15	28 FEB 2014
0007	C016	16	31 MAR 2014
0008	n/a	3	31 MAR 2014
0008	n/a	10	30 APR 2014

2. As a condition of approval above, the parties bilaterally agree that all vehicles accepted pursuant to this approved Deviation G003-D-052 are subject to the following conditional acceptance terms and conditions:

a. Section H.5.2 has been added to reflect a withhold on all vehicles effected by this deviation in the amount of \$8,000 per vehicle until the following conditions have been met:

i. BAE shall submit a report addressing how the use of the prohibited Hexavalent Chromium is being addressed by the subcontractor responsible for the Common Intelligent Display (CID). This report shall include detailed information about potential recourse or remediation between BAE and the subcontractor for the Common Intelligent Display (CID) for use of unapproved hexavalent chromium. The report shall further detail information on how BAE's quality and supply chain is going to address the use of Hexavalent Chromium on components where the design prohibits its use on current and future contracts with this and other suppliers.

This report shall be submitted to the USG no later than 14 March 2014. The Government will review the information provided to determine acceptability or provide comments within 14 days. If approved by the USG PCO, a unilateral modification to this contract shall be made to remove vehicle withhold in the amount of \$6,000 per vehicle for all vehicles delivered with this conditional acceptance to allow BAE to invoice and collect, and the \$6,000 withhold will not apply to any other vehicles to be delivered. If BAE fails to submit the report required in the time frame specified and without any approved extension by the Contracting Officer, the Government has the unilateral right to deobligate \$6,000 per vehicle for all vehicles delivered, and those to be delivered, with this conditional acceptance from the contract.

ii. After acceptance of the report in H.5.2.1 above, a \$2,000 withhold shall be in effect for remaining vehicles listed above that have not been delivered. BAE shall provide a recommendation for USG equitable adjustment for the vehicles accepted by this deviation, or request a release of the remaining \$2,000 per vehicle withhold no later than 18 April 2014. The Government will assess all information provided and determine if it will seek to negotiate equitable adjustment by 01 May 2014, or lift the remaining withhold amount of \$2,000 per vehicle for all vehicles delivered with this conditional acceptance. If additional equitable adjustment is sought, the Government agrees not to seek more than \$2,000 per vehicle for all vehicles delivered with this conditional acceptance from the contract. If an agreed equitable adjustment amount cannot be bilaterally agreed upon by both parties by 30 May 2014, the Government has a unilateral right to deobligate \$2,000 per vehicle for all vehicles delivered with this conditional acceptance from the contract.

b. BAE shall submit a list of vehicle serial numbers effected by this deviation.

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c. Approval of this Deviation G003-D-052 does not alter Performance Specification 12555235 in any way to allow use of hexavalent chromium on Common Intelligent Display (CID), Part No. 12540726, nor does this set a precedence by the Government to agree to future conditional sales or contract acceptance of deliverables with this hazardous material on components where the design prohibits its use on this or other contracts.

3. As a result of this Modification 21, the total Delivery Order value remains unchanged at \$645,800,835.00.

4. All other terms and conditions of this Delivery Order, except those addressed in this Modification, remain unchanged and in full force and effect.

*** END OF NARRATIVE A0023 ***

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Name of Offeror or Contractor: BAE SYSTEMS LAND & ARMAMENTS L.P.

SECTION H - SPECIAL CONTRACT REQUIREMENTS

H.1 CONTRACT FUNDING AND TERMINATION LIABILITY SCHEDULE FOR CLINs 0001, 0002, 0003, 0004, 0005, and 0006

H.1.1 Funds in the total amount of \$270,825,641.00 are presently allotted for performance of CLIN 0001, 0002, 0003, 0004, 0005, and 0006, on a cost reimbursable, no fee basis. The Contractor agrees that the amount provided herein is sufficient through 30 June 2012 to enable the Contractor to initiate the acquisition of material in support of production, as listed in Attachment 001, to support material and support labor to procure material for 245 Operational Desert Storm (ODS) Situational Awareness (SA) vehicles, less fifty sets of SA material, which will be provided as GFM.

H.1.2 The purpose of awarding a cost-no-fee contract is to enable the parties to enter into an order within the necessary material lead times to support the fielding milestones and allow for an efficient contract administration process. Although this delivery order is cost-no-fee, the parties agree that the profit negotiated for the Production effort shall be calculated on a cost base that includes the Material, Support Labor and Production efforts. This clause does not mandate any specific fee, but acknowledges that the allowable and allocable material costs will be included during the Production profit negotiations.

H.1.3 In the event that a change in configuration results in the purchase of excess material or material that does not meet the current configuration, the Contractor may be entitled to an equitable adjustment for cancellation/kit/pack/ship costs, as well as the cost of procuring material to comply with the new configuration and schedule.

H.1.4 In the event that additional funds are not made available to the Contractor by written notice of the Contracting Officer on or before 30 June 2012 or another date agreed upon by the parties, if the Government must reduce or cancel the Material requirement, the contract shall be terminated pursuant to the General Provision entitled "Termination-Cost Reimbursement."

H.1.5 In any event, including termination, the Government's liability for CLINs 0001, 0002, 0003, 0004, 0005, and 0006 shall be limited in accordance with FAR Clause 52.232-20 - Limitation of Cost. Pursuant to this Clause, notification shall be provided when the Contractor has exceeded 75% of the total dollar amount.

H.1.6 TERMINATION LIABILITY SCHEDULE: In the event of termination, the maximum amount the Government will be responsible for is as follows:

<u>MONTH/YEAR</u>	<u>TERMINATION LIABILITY (Cumulative)</u>
September 2011	\$ 14,810,634
October 2011	\$ 44,602,017
November 2011	\$ 88,399,242
December 2011	\$147,348,282
January 2012	\$217,574,141
February 2012	\$270,825,641

The following Termination Liability schedule is for the additional funding (\$68,726,155) obligated in Modification 02:

<u>MONTH/YEAR</u>	<u>TERMINATION LIABILITY (Cumulative)</u>
May 2012	\$ 2,061,780
June 2012	\$ 6,185,340
July 2012	\$ 12,370,680
August 2012	\$ 24,741,360
September 2012	\$ 37,799,300
October 2012	\$ 48,795,460
November 2012	\$ 59,104,360
December 2012	\$ 68,726,000

It is anticipated that the cost for this effort shall be converted into Firm Fixed Price CLINs when the entire Reset/Conversion effort is negotiated and a price agreed upon.

H.1.7 The complete list of required materials has been incorporated and is set forth in Attachment 0001.

H.2 Subcontracting Plan

H.2.1 Revision 7 of the small business subcontracting plan submitted by BAE Systems for BOA W56HZV-10-G-0003, is hereby incorporated by reference.

H.3 Pre-Contract Cost Authorization:

H.3.1 The Government recognizes that pre-contract costs were authorized in anticipation of the issuance of Delivery Order 0010 on Basic Ordering Agreement (BOA) W56HZV-10-G-0003.

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H.3.2 Costs incurred by the Contractor for the period 27 July 2011 through 30 September 2011, which were necessary to comply with the contract delivery schedule, were authorized to a maximum amount of \$5,000,000.00. These costs are allowable to the extent that they would have been allowable if incurred after the date of contract award.

*** END OF NARRATIVE H0001 ***

H.4 DOWNWARD ONLY PRICE ADJUSTMENT FOR OPTION 2 M2A2/M3A2 CONVERSION OF ODS TO ODS-SA VEHICLES

H.4.1 CLINS 0007 & 0008 include a Not-To-Exceed (NTE) combined price of \$222,507,212 for the Conversion of M2A2 and M3A2 Operation Desert Storm (ODS) Vehicles to the Situational Awareness (SA) configuration.

H.4.2 The contract price under CLINS 0007 & 0008 shall be adjusted to reflect any reduction negotiated to the price as a result of definitizing these NTE amounts. The difference between the reduction of the NTE prices and the respective final negotiated prices shall be subtracted from each CLIN respectively.

H.4.3 The contractor shall submit a proposal to definitize CLINS 0007 & 0008 based on the allowable and allocable actual costs associated with these CLINS. In order to calculate the allowable and allocable actuals associated with CLINS 0007 & 0008, the contractor shall use its actual incurred costs, both direct and indirect, including Facilities Capital Cost of Money (FCCM), for Calendar Years (CY) 2012, 2013, and 2014. Furthermore, the parties agree that the total profit for CLINS 0007 & 0008 shall be \$28,636,678.18. However, the maximum liability incurred by the Government for CLINS 0007 & 0008 shall not exceed the NTE price of \$222,507,212. The contractor's proposal shall be submitted no later than 31 July 2015. If the contractor's allowable and allocable actuals plus the total agreed-to profit are lower than the NTE, a bilateral modification shall be executed incorporating the impact of any price reduction into the contract.

H.4.4 If a proposal to definitize the prices is not submitted by the date specified in paragraph H.4.3 above or by such other period as may be agreed to by the Contracting Officer, the Contracting Officer has the right to determine a reasonable final price for these vehicles for the purpose of determining the final adjustment due under this special provision, subject to appeal by the contractor pursuant to the clause in the Basic Ordering Agreement entitled "Disputes".

H.5 INCORPORATION OF CONDITIONAL SALES LETTER(S)

H.5.1 Generator Replacement under the Conditional Sales Letter dated October 2012 shall have 400 Amp Generators (P/N 12386631-1) installed in the FY11/FY12 Reset ODS-SA vehicles that have a design/quality issue, which require replacement of the faulty generators, and shall include withholds in the amount of \$10,000.00 per DD250d vehicle. The funds withheld will be released by the ACO to the contractor upon verification of the replacement/installation of the 400 Amp generators. Verification process shall include the following steps:

H.5.1.1 The contractor shall provide a Blue Card to the DCMA QAR for replacement verification containing the vehicle serial number.

H.5.1.2 The DCMA QAR shall provide a Government quality stamp or Government verification signature and date after verification of work being completed.

H.5.1.3 The contractor shall provide the Blue Card verifications to the ACO with a release letter to authorize payment of the withheld amount from DFAS.

H.5.1.4 This action shall be executed entirely at the contractors expense without any equitable adjustment to any Government contract. This conditional acceptance does not constitute a waiver by the Government of any rights, contractual, statutory or otherwise relating to any matter involving the production or delivery of these parts/vehicles and does not waive any claims by the United States Government for fraud, false claims, or any other conduct on the part of any party, which may be actionable under law. Specifically, this conditional acceptance does not waive any rights by the Government for any vehicle delivered under this contract that is found to contain this condition in the future.

*H.5.2 Conditional Sales agreement for incorporation of Deviation G003-D-052, titled: To allow acceptance and use of the Common Intelligent Display (CID), Part No. 12540726, manufactured with a Hexavalent Chromium chemical conversion process prohibited by Performance Specification 12555235. This agreement shall apply to the following list of undelivered vehicles as follows:

<u>CLIN</u>	<u>ELIN</u>	<u>Quantity</u>	<u>Delivery Due</u>
0006	C010	1	31 MAR 2014
0007	C015	15	28 FEB 2014
0007	C016	16	31 MAR 2014
0008	n/a	3	31 MAR 2014

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Name of Offeror or Contractor: BAE SYSTEMS LAND & ARMAMENTS L.P.

*** END OF NARRATIVE H0002 ***

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Name of Offeror or Contractor: BAE SYSTEMS LAND & ARMAMENTS L.P.

SECTION J - LIST OF ATTACHMENTS

<u>List of</u> <u>Addenda</u>	<u>Title</u>	<u>Date</u>	<u>Number</u> <u>of Pages</u>	<u>Transmitted By</u>
Attachment 0004	WAIVERS AND DEVIATIONS	18-FEB-2014		

ATTACHMENT 0004
 WAIVERS AND DEVIATIONS

<u>RFD/RFW</u>	<u>DESCRIPTION</u>	<u>Effective Through</u>
G003-W-010	Neutron Fluence Test of MCSU P/N 13620159	End of Contract
G003-W-015	Allow Use of Traverse Brushless Motors with Electromagnetic (EMI) Non-Conformance	End of Contract
G003-W-016	Alternative Material: Forging, Aluminum, 7085 Temper T7E132 per spec AMS4403	End of Contract
G003-W-024	Bradley Performance Specification Issues Ground Clearance	End of Contract
G003-W-025	Bradley Reset Road Wheel Direct to Metal Painting Issue	End of Contract
G003-W-027	Bradley SA Stowage Control Test Issues	End of Contract
G003-W-030	Gun Control Unit (GCU) Assemblies with Electromagnetic Interference (EMI) Non-Con.	End of Contract
G003-W-032	Acceptance using FS3 Control Box Assemblies With Electromagnetic Interf. (EMI) Non-Con.	End of Contract
G003-D-021	Smart Display PN: 12517542 that did not meet Neutron Fluence Test at WSMR	End of Contract
G003-D-025	General Purpose Processor II CCA that does Not Meet the Neutron Fluence Test	End of Contract
G003-D-026	X-Windows Open Graphics Language Server II CCA That Does Not Meet the Neutron Fluence Test	End of Contract
G003-D-027	Single Card Turret Processor Unit P/N: 13035052 That Does Not Meet the Neutron Fluence Test	End of Contract
G003-D-029	SA RESET Final Inspection Record (FIR) Impact Due to Added IED Armor Weight	End of Contract
G003-D-030	Slip Ring Connecting Linkage Adjustment	End of Contract
G003-D-033	BUSK III Driver's Seat Rifle Mount Interface	End of Contract
G003-D-034	Neutron Fluence Test of MCSU PN 13620159	End of Contract
G003-D-035	SA ECP V8985 CID Implementation Issue	April 30, 2013
G003-W-041	To allow use of component hardware (VIS Bracket, Mounting Hardware and Connector Cap) prior to formal release of drawing change adding this hardware to drawing.	End of Contract
G003-D-038	SA ECP V8985 CID Implementation Issue	August 31, 2013
G003-D-039	BASS-D Seat Post Locking Pin Issue	November 30, 2013
G003-D-037	Use of Curtis Wright Ethernet Switch Units Pending ECP Approval	August 31, 2013

G003-D-047 Bradley Ramp Bracket 12298253 Material Issue January 31, 2014

G003-D-049 To allow use of a longer ground strap and alternate End of Contract
mounting hardware (nut) of the Applique Display as
well as use of temporarily slaved hardware for testing.

G003-D-050 BASS-D Seat Travel Issue May 31, 2014

*G003-D-052 *To allow acceptance and use of the Common Intelligent Display (CID), Part No. 12540726, manufactured with a Hexavalent Chromium chemical conversion process prohibited by Performance Specification 12555235. This Deviation is incorporated with exception and subject to the terms and conditions outlined in Modification 20 and 21. *See Mod 20 and 21 for terms of length of approval

*Modified on Modification 21