

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. Contract ID Code
Firm Fixed Price

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2. Amendment/Modification No. P00052	3. Effective Date 2013SEP23	4. Requisition/Purchase Req No. SEE SCHEDULE	5. Project No. (If applicable)
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6. Issued By U.S. ARMY CONTRACTING COMMAND JONATHAN W. LENZ WARREN, MICHIGAN 48397-5000 HTTP://CONTRACTING.TACOM.ARMY.MIL EMAIL: JONATHAN.W.LENZ.CIV@MAIL.MIL	Code W56HZV	7. Administered By (If other than Item 6) DCMA DETROIT 35803 MOUND ROAD STERLING HEIGHTS MI 48310	Code S2305A
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8. Name And Address Of Contractor (No., Street, City, County, State and Zip Code) GENERAL DYNAMICS LAND SYSTEMS INC. 38500 MOUND RD STERLING HEIGHTS, MI 48310-3200	<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-13-D-0008
	<input type="checkbox"/>	10B. Dated (See Item 13) 2012OCT30
Code 7W356	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:	Agreement of the 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) CARRIE CUNNINGHAM CARRIE.CUNNINGHAM2@US.ARMY.MIL (586)282-4502		
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 2013SEP23

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SECTION A - SUPPLEMENTAL INFORMATION

Buyer Name: JONATHAN W. LENZ
Buyer Office Symbol/Telephone Number: CCTA-AIL-B/(586)282-2054
Type of Contract: Firm Fixed Price
Kind of Contract: Supply Contracts and Priced Orders
Type of Business: Large Business Performing in U.S.
Surveillance Criticality Designator: C
Contract Expiration Date: 2015OCT25

*** End of Narrative A0000 ***

Contract W56HZV-13-D-0008
Modification P00052

1. This Modification P00052 is a bilaterally executed supplemental agreement.
2. The purpose of this Modification P00052 is to add the Stryker Engineering Support in Production (ESIP) Scope of Work (SOW) and CDRL requirements to Sections C and E and Section J, respectively.
3. As a result of this Modification P00052, Contract W56HZV-13-D-0008 is revised as follows:
 - a) Section C - Direction to submit changes to Flat Bottom Vehicle FIRs in accordance with CDRL P006 is added at C.13.19.1.3.
 - b) Section E - ESIP language (in addition to ESIP SOW that was added via Modification P00031) is added at E.1.
 - c) Section J - CDRL P006 FIR (FLAT BOTTOM VEHICLES) is added as Exhibit FT.
4. In addition to the changes above, the requirement to submit a Standard Hour Report in accordance with CDRL P0002 (C.13.18.1) is hereby deleted, as is Exhibit FR from Section J.
5. As a result of this Modification P00052 the total obligated amount of Contract W56HZV-13-D-0008 is neither increased nor decreased.
6. Except as specifically stated herein, all other terms and conditions remain unchanged and in full force and effect.

*** END OF NARRATIVE A0054 ***

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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
	SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS				
0412	<p><u>CONTRACTOR MANPOWER REPORTING (CMR)</u></p> <p>CLIN CONTRACT TYPE: No Cost</p>				\$ <u> ** NSP **</u>
0902	<p><u>ENGINEERING SUPPORT IN PRODUCTION</u></p> <p>GENERIC NAME DESCRIPTION: NBCRV PROD SUSTAINMENT CLIN CONTRACT TYPE: Firm Fixed Price</p> <p>CLIN 0902 is established by Modification P00052.</p> <p>The contractor shall perform the Engineering Support in Production (ESIP) in accordance with the Scope of Work (SOW) at C.13.17-C.13.22 and E.1.1-E.10.</p> <p>(End of narrative B001)</p>				\$ <u>24,545,475.00</u>

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SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

C.13 Exchange

C.13.1 The Exchange Program is designed to produce Stryker Vehicles in current Double-V Hull (DVH) configuration that meet Supply Condition Code A in accordance with (IAW) AR 725-50. Code A is defined as new, used, repaired, or reconditioned material which is serviceable and issuable to all customers without limitation or restrictions. This shall be accomplished through disassembly of Flat Bottom Hull (FBH) Stryker vehicles, inspection of designated components recovered from the FBH Strykers, and repair/replacement of worn or unserviceable items using original manufacturing tolerances and specifications. All components common to both the FBH version and the DVH version of a specific variant, that are mutually designated as reusable by both the Government and Contractor in accordance with the established Parts Acceptance Criteria, will be provided to the Contractor's assembly line as Government Furnished Material (GFM) and utilized in the assembly of a DVH vehicle.

C.13.2 Under this program, Stryker FBH vehicles will be disassembled by the Government for recovery of the reusable components. One of each of the variants listed below will be torn down during the NRE phase. The Contractor shall provide technical assistance during these disassemblies. The Contractor shall develop disassembly instructions for recovery of the reusable components for all Stryker DVH variants. Disassembly instructions are subject to Government approval. The deliverable will include a flat file that will identify recoverable and non-recoverable material (Note: the flat file is a parts list that contains an R suffix affixed to the GFM parts requiring reclamation/revision for the Exchange Program). Recovered reusable material common to both the FBH and the DVH will be refurbished, if needed, by the Government at Anniston Army Depot (ANAD), and provided to the Contractor as serviceable GFM suitable for the purpose of DVH assembly. The Contractor shall perform the following production vehicle engineering support activities: engineering problem root cause and corrective action (RCCA) analysis; alternate design; production problem resolutions (PPR) execution; material problem reporting (MPR); and development and validation of final inspection record (FIR) performance test requirements.

C.13.3 Nonrecurring Engineering (NRE).

C.13.3.1 The Contractor shall develop disassembly instructions for recovery of reusable components for the following Stryker variants and submit IAW CDRL X001. Disassembly instructions are subject to Government approval.

- Infantry Carrier Vehicle (Common Baseline)
- Commanders Vehicle
- Fire Support Vehicle
- Medical Evacuation Vehicle
- Mortar Carrier Vehicle
- Engineer Squad Vehicle
- Reconnaissance Vehicle
- Anti-Tank Guided Missile Vehicle

C.13.3.2 The Contractor shall develop, jointly with ANAD, a proposed list of Government Reworked/Reconfigured Components with rework/reconfiguration guidance for each variant listed above, and shall deliver the list IAW CDRL X002. Each list is subject to Government approval.

C.13.3.3 The Contractor, alongside ANAD and PM-SBCT, shall develop criteria, subject to Government approval, for verifying serviceability of GFM, recommendations to repair or replace unserviceable GFM items, and acceptance criteria for GFM, and submit IAW CDRL X004.

C.13.3.4 The Contractor shall propose a modified Final Inspection Record (FIR) for each Stryker DVH Exchange Vehicle variant used for vehicle acceptance. Proposed modifications are to be presented to the USG IAW CDRL X003, for review and concurrence.

C.13.3.5 The Contractor shall monitor Exchange Program Government Furnished Material (GFM) Reuse/Rework/New (RRN) parts and subassembly definition, and impacts resulting from pending Engineering Change Orders (ECO) and/or joint USG and Contractor cost-benefit analysis. The Contractor shall provide Exchange Program In-Process Review CDRL X005 to propose and document modifications to Exchange Variant RRN bills of material (BOM), including additional rework candidates. Proposed modifications submitted via CDRL X005 will be implemented on a mutually agreed upon basis only.

C.13.4 During pilot disassembly, the Contractor shall provide on-site technical support to Anniston Army Depot (ANAD). Technical support shall consist of monitoring the disassembly of flat bottom variants and developing/providing recommendations and guidance for vehicle and part disassembly, part disposition, and part rework/reconfiguration. Technical support shall also include the performance of technical inspections during the disassembly process.

C.13.5 In the event a non-compliance is discovered, the non-recurring effort to correct said non-compliance will not be covered under the terms and conditions of the Stryker Exchange Delivery Order.

C.13.6 The Contractor shall retain its rights to op sheets created in performance of the NRE effort.

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C.13.7 The Contractor shall provide the required deliverables, technical data and financial reports in the format and scope specified and furnished IAW Contract Data Requirements List, DD Form 1423 as specified in Exhibit A.

C.13.8 The Contractor shall brief the ongoing status of the Exchange Program at the weekly scheduled Production/Exchange Program Management Team Meeting.

C.13.9 In addition to attending the weekly Production Management Team meetings, the parties agree to mutually coordinate and attend meetings to discuss the proposed modifications submitted via CDRL X005, and implement changes to the Exchange process, when warranted and mutually agreed upon.

C.13.10 Conformance with Specifications.

C.13.10.1 Under this contract, the Stryker DVH Exchange Vehicles shall meet the Performance Specifications as provided in Attachment 005.

C.13.10.1.1 The Contractor shall accomplish the exchange required by C.13.1 by utilizing a combination of new components and GFM.

C.13.10.1.2 The Contractor's responsibility to deliver Exchange Vehicles that are compliant with the contract specifications does not include Government Furnished Material (GFM, those items in Attachment X002). If the Government determines that the failure to meet any of the specifications was a result of GFM listed in Attachment X002, the Government will be responsible for the corrective action. Any Government determination of responsibility for corrective action is subject to the Disputes clause of this contract (FAR 52.233-1).

C.13.10.1.4 Final Acceptance. Upon successful completion of the Final Inspection Record (FIR), the Contractor shall present to a Government Quality Assurance Representative (QAR) the vehicle for final inspection and acceptance using a Government Form DD 250.

C.13.11 Exchange Vehicle Baseline.

C.13.11.1 Exchange ICVV shall be manufactured IAW the Contractor's General Assembly ICVV Part Number 12505126, Engineering Release Record (ERR) Number DVH1707, dated 26 April 2012, software version 2.1.1, and Attachment X002 Exchange ICVV Parts List Flat File.

C.13.12 Technical Inspection.

C.13.12.1 A Technical Inspection of each Stryker FBH Vehicle scheduled for induction will be conducted by the USG with participation by the Contractor. This inspection is directed by PM Stryker Combat Brigade Team (SBCT) / TACOM. Logistical arrangements to include selection of donor vehicles and time and location of inspection will be made by the Government. The assessment will provide current configuration and condition of each vehicle using the USG coordinated checklist. The Government will be responsible for any missing GFM on vehicles inducted at ANAD that will be supplied to the Contractor at the Anniston location as GFM IAW Attachment X002. The Government will provide a Vehicle Inspection Report within seven days after completion of the inspection.

C.13.13 Configuration Control.

C.13.13.1 Government Furnished Material.

C.13.13.2 Joint Inspection and Acceptance of GFM recovered from the FBH. The Contractor and ANAD personnel shall conduct a joint inspection and acceptance of GFM recovered from the FBH per the shipping manifest at [ANAD location TBD]. Any deficiencies from the manifest must be mutually agreed to by both the Contractor and ANAD personnel. The Contractor shall deliver the GFM recovered from the FBH to the Contractor's warehouse.

C.13.13.3 The Government furnished items required to be installed in, or delivered with, each Stryker DVH Exchange Vehicle will be provided to the Contractor in accordance with Attachment X002 in Condition Code A, and Attachment X004. The Government will provide the GFM to General Dynamics Anniston Operations (GDAO) no later than 90 days prior to the scheduled month for vehicle exchange DD250.

C.13.14 Contractor Furnished Material. The Contractor shall be responsible for procuring all necessary parts that are not identified as GFM for the manufacture of Stryker DVH Exchange Vehicles.

C.13.15 The Government will provide, on a non-interference basis, rent-free use of the Lima, Ohio Joint Systems Manufacturing Center (JSMC), and Government-owned equipment in the GDLS Scranton facility throughout the performance period of this contract.

C.13.16 Program Status. The Contractor shall brief the ongoing status of the Exchange Program at the weekly scheduled joint Contractor/Government Production Management Team meetings.

C.13.17 Engineering Support

C.13.17.1 Vehicle Production. The contractor shall perform the following engineering support activities, in accordance with the applicable scope at C.1.3, for vehicles produced: Engineering Problem Reports (EPR) Root Cause and Corrective Action (RCCA) analysis;

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alternate design; Factory Problem Report (FPR) execution, Material Problem Report (MPR); and the development and validation of final inspection record (FIR) performance test requirements.

C.13.17.2 The Contractor shall maintain, upgrade, manage and procure licenses required for the manufacturing and testing of the Stryker FOV.

C.13.17.3 Hazardous Material Tracking and Reporting. The Contractor shall support hazardous materials tracking and reporting related to Stryker vehicle production IAW the scope of work at C.1.4 Hazardous Materials.

C.13.18 Production Reports

C.13.18.1 ~~DELETED~~

C.13.18.2 The Contractor shall provide a labor hour report in accordance with CDRL P009.

C.13.19 Product Assurance

C.13.19.1 Quality Engineering (QE)

C.13.19.1.1 The Contractor shall follow its Quality Program in providing the supplies and services required per this contract.

C.13.19.1.2 The Contractor shall perform a QE review of all performance requirements, specifications and related contractor documentation, and conduct QE analysis to determine the type and amount of inspection and test controls that are necessary to meet the required quality requirements. The Government shall have the right to review and assess the Contractor's QE documentation at any time. Whenever there is an Engineering Change Order (ECO), the Contractor shall accomplish QE analysis such that any required inspection controls are proposed concurrently with the ECO.

C.13.19.1.3 The Contractor shall prepare any required changes to the Final Inspection Records (FIRs), and submit in accordance with CDRL X003 (Exchange Vehicles) or CDRL P006 (Flat Bottom Vehicles).

C.13.19.1.4 The Contractor shall prepare the item modification inspection requirements to include the in-process and final acceptance inspection requirements necessary for installing industrial and field modifications.

C.13.19.1.5 Hull weld joint designs and configurations successfully completing live-fire testing shall become the minimum acceptable for production vehicles. Weld joints deviating from those successfully completing live-fire testing (whether in location, extent, completeness, size, filler metal, joint fit-up, process, etc.) shall not be acceptable for production vehicles unless proven by additional live-fire testing. Any such deviation can only be made acceptable by way of repair which restores the original tested and accepted configuration, or through additional live-fire testing, and not solely by engineering analysis, unless otherwise approved by the Government.

C.13.20 Support in Production

C.13.20.1 Engineering Support In Production (ESIP): The Contractor shall perform engineering support in production (ESIP) activities required in support of the vehicle build and delivery. These activities include technical support to Manufacturing and Operations, program management, conduct of program meetings, resolution of problem reports, resolution of vendor problems, engineering/manufacturing effort to maintain and/or update technical data such as drawings for producibility changes, program management or contractor generated Engineering Change Proposals.

C.13.20.2 Records. The contractor shall prepare and maintain complete and up-to-date records of all QE work performed or accomplished for the contract item(s) on this contract. These records shall identify the status and progress of all QE work being planned or accomplished. The Government shall have access to the contractor's QE working records, upon request.

~~C.13.21~~ Production Tooling and Test Equipment. The Contractor shall maintain, repair and upgrade manufacturing tools, equipment and test equipment, including Government owned manufacturing tools, equipment and test equipment, as recommended by the manufacturer or as dictated by historical data. The Contractor shall calibrate all test equipment as recommended by the manufacturer or as dictated by historical data.

~~C.13.22~~ Production Management Team Meeting. The Contractor shall conduct a weekly joint production meeting for Government and Contractor personnel to report the status of the Stryker Vehicle production, acceptance and deliveries. The Contractor shall also report the status of new and ongoing contractual, production, quality, engineering and vendor issues that impact vehicle acceptance and delivery. The meeting will be held at the Contractor's facility with a teleconference capability provided for off-site participants. E-mail notification of the day, time and location is acceptable.

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*Changes as a result of Modification P00052 are underlined. Sections C.13.21 and C.13.22 were previously included as C.31.21 and C.31.22. This has been corrected.

*** END OF NARRATIVE C0016 ***

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SECTION E - INSPECTION AND ACCEPTANCE

E.1.1 CONDITIONAL ACCEPTANCE. The Government may conditionally accept vehicles in accordance with FAR 46.407(c) (1). Final acceptance of vehicles shall be made upon successful completion of FPT and correction of all defects, if any. (See E.9 for definition).

E.1.2 Ballistic Acceptance Testing shall be conducted by the Government. Deviation from the process detailed below will only be allowed with prior approval by the Government.

E.1.2.1 Ballistic Acceptance Testing will be conducted in accordance with the vehicle performance specification requirements. Armor recipe acceptance and requalification testing will be conducted by the Government at a government-approved test facility.

E.1.2.2.1 USED TEST MATERIAL. The Contractor shall not re-use any components from items consumed in LAT, or any other process verification testing, unless specifically authorized by the Contracting Officer.

E.1.2.2.2 GOVERNMENT TITLE. The Government reserves the right to take title to any items or components provided in paragraph E.1.2.2.1 above upon notice to the Contractor. The items or components of items to which the Government takes title shall be shipped in accordance with the Contracting Officer's instructions. Those items and components to which the Government does not obtain title shall be rendered inoperable and disposed of as scrap by the Contractor.

E.1.2.3 Testing shall be conducted in accordance with ITOP 2-2-713: Ballistic Testing of Armor.

E.2 USE OF GOVERNMENT PROPERTY / MATERIAL. When the Government provides material, the Contractor's quality procedures shall include the following:

- a. Examination upon receipt to detect damage in transit.
- b. Inspection for completeness and proper type.
- c. Periodic inspection and precautions to assure adequate storage conditions and to guard against damage from handling and deterioration during storage.
- d. Functional testing, prior to or after installation, to determine satisfactory operation as it relates to Stryker integration.
- e. Identification and protection from improper use or disposition.
- f. Verification of quantity.

The Contractor shall identify and report Government furnished property found damaged, malfunctioning or otherwise unsuitable for use on a Defective Government Material (DGM) report and deliver it through the Army Electronic Products Support (AEPS) system.

E.3 FIRST PRODUCTION VEHICLES INSPECTION. A First Production Vehicle Inspection (FPVI), as specified in the vehicle performance specification, may be required under this contract for any vehicle variant, at the Government's discretion under any of the following circumstances: (a) commencement of production following a break in production of any variant in excess of one year; (b) a labor stoppage in excess of 60 days; (c) when the production site is changed for either vehicles or major sub-components; (d) when there is a major configuration change or supplier change for a major component. The FPVI shall be conducted by the contractor, and witnessed by Government representatives at a suitable site as identified by the contractor. The FPVI shall be conducted according to the contractor prepared, Government approved, First Production Vehicle Inspection Record (FPVIR).

The FPVI vehicle shall be fully representative of the production configuration the contractor intends to deliver under the contract, and shall be representative of the production process to be used for subsequent vehicles.

In the event of an FPVI non-compliance, the Government reserves the right to require a retest of the vehicle upon correction of defect(s) by the contractor, to verify that the non-compliance has been corrected, or to such lesser extent that the Contract Officer considers appropriate. The cost to correct any defects and retest shall be borne by the contractor.

Following successful completion of the FPVI, the contractor shall prepare and deliver a FPVI test report in contractor format (CDRL E001) for review and approval. The Government will not final accept production vehicles until the FPVI is successfully completed, and all deficiencies attributed to workmanship, quality, and material are corrected at no additional cost to the Government. After the FPVI test report is deemed acceptable to the Government, acceptance of the FPVI will be transmitted through the PCO.

E.4 PRODUCT ASSURANCE AND TEST (PA&T) MEETINGS. Once every six (6) months, the Government will schedule and the contractor shall host a PA&T meeting.

E.4.1 The PA & T meeting will be chaired by the Government, and the contractor shall provide audio/visual equipment. The contractor shall provide representation from Test Program Management, Engineering, and Quality Assurance, who can adequately discuss current

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product assurance issues and give presentations as necessary. Meeting duration will not be longer than three days each and the location will be selected by the government from among the following: GD Robotics; GDLS Tallahassee; GDLS-Canada; GDLS Sterling Heights; Yuma Proving Ground; Aberdeen proving Ground; Anniston Army Depot; and Joint Base Lewis-McChord.

E.5 CONTROL TEST

E.5.1 At the place of manufacture, the Contractor shall conduct control tests in accordance with the control test documents located within the Final Inspection Record (FIR) as defined in the Vehicle Performance Specification, conducted at a frequency of one vehicle from each months vehicle delivery selected at random by the Government.

E.5.2 During control testing, the Contractor may continue to manufacture and ship vehicles. Failure or non-compliance of the control test vehicle as a result of any deficiency shall be cause for rejection of the selected control test vehicle until evidence has been provided by the Contractor that corrective action has been taken to eliminate the deficiency.

E.5.3 Any defect in any control test vehicle or component which results in the vehicles not meeting the vehicle performance specification requirements shall be presumed to be present in previously manufactured vehicles unless evidence satisfactory to the Procuring Contracting Officer is presented by the Contractor that such vehicles are not similarly defective. Upon determination that said defects do exist, the Government reserves the right to refuse to accept further production vehicles until the Contractor demonstrates that corrective action has been taken to eliminate the cause of such defects from all affected vehicles under this contract.

E.5.4 In the event of a control test failure, the Contractor shall correct all defect(s) and retest the vehicle to the full extent and duration specified for the control test, or to a lesser extent and duration only if deemed appropriate by and with full approval of the Contracting Officer. To verify that the noted control test defect(s) is not evident on other representative vehicles, the Contractor shall perform additional vehicle verifications as specified in the Stryker performance specifications. The cost of any required additional or subsequent vehicle verifications or inspections and/or retesting shall be borne by the Contractor.

E.5.5 **QUALITY PERFORMANCE INCENTIVE.** The Government will waive one monthly Control Test under the following conditions:

1. If the contractor produces three zero-defect vehicles in a calendar month, and,

2. No other vehicles have been returned by the Government to the Contractor during that month due to quantity of defects, recurring defects, safety issues, or non-function of a major component which may cause parts of the FIR to be repeated.

The Government will waive a subsequent months Control Test following attainment of the above conditions. Selection of which Control Test to waive will be at the discretion of the Government. Notwithstanding these provisions, under no circumstances will there be less than one Control Test performed per quarter. A zero-defect vehicle is defined as a vehicle which is submitted for acceptance to the Government, and upon Government inspection, has no defects recorded.

E.6 **MATERIAL REVIEW BOARD (MRB).** The contractor shall establish a MRB that is responsible for the disposition of minor nonconforming material issues. The contractor shall provide the on-site DCMA representative a daily informational synopsis of the MRB actions, decisions and resolutions involving repair, and use-as-is material dispositions.

The Government's review of a repair shall not bar the Government's right to subsequently reject the material if the Government determines that the repair does not adequately correct the nonconformity.

The MRB shall also initiate formal Request for Deviation for major and critical nonconformances.

E.6.1 A minor nonconformance is defined as a nonconformance which does not adversely affect any of the following:

- a. Final Inspection Record
- b. Performance Specification
- c. Other Government controlled requirements

E.6.2 A major or critical nonconformance shall be submitted to the PCO in the form of a deviation for disposition.

E.7 **FIELD COMPLIANCE TEST.** ESV Mission Equipment: Prior to fielding, each Mine Roller, Surface Mine Plow, Angle Mine Plow and Straight Obstacle Blade shall pass a field compliance test using an ESV. Any failure/defect, as defined in E.9, discovered during the field compliance test shall be corrected prior to fielding at no additional cost to the Government.

E.8 WELDING

E.8.1 **WELDING DESIGN.** All weldments provided by the Contractor shall meet the design and fabrication requirements in the appropriate American Welding Society procedures or the approved equivalent for materials other than armor. The design of ballistic structures shall be IAW the contractor based specifications that have been deemed acceptable for use on the Stryker vehicles by the procuring

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organization.

E.8.2 WELDING PROCEDURES The Contractor shall develop welding procedures IAW American Welding Society (AWS) or the equivalent weld code requirements for materials other than armor. Repair welding of post DD 250 vehicles of defective parts shall require Government approval of the written repair procedures. Welding procedures for ballistic structures shall be IAW the applicable Ground Combat Vehicle Welding Code Steel or contractors developed procedures which have been deemed as acceptable for use by the Government, such as the D-17000 Rev M.

E.8.3 ALTERNATE WELDING STANDARDS The Contractor may utilize alternate welding standards or codes once it or its suppliers demonstrate that equivalent or better quality and performance is obtained by their use. It is the Contractors responsibility to demonstrate such equivalence. If the Contractors component supplier will not release specific proprietary information, the Government reserves the right to conduct an on-site review of the Contractors suppliers quality system and weld processes to verify their capability of producing acceptable welds. The Government reserves the right to approve/disapprove the use of any and all such alternative weld standards, and specifications. The demonstrated equivalent shall be verified prior to fabrication of any production weldment.

E.8.4 WELDER QUALIFICATION The qualification of welders, welding operators, and tack welders for non-ballistic structures shall be IAW the applicable AWS welding Code or the approved equivalent code. The qualification of welders, welding operators, and tack welders for ballistic structures shall be IAW the applicable Ground Combat Vehicle Welding Code. Robotic applications must be validated to insure the process meets the weld procedure qualification requirements of the applicable specifications.

E.8.5 VISUAL WELD INSPECTION The Contractor shall verify weld quality and workmanship using qualified inspectors trained to perform these inspection functions. Acceptable qualification of the Contractors inspectors shall be based on one of the following:

- 1) Current or previous certification as an AWS Certified Welding Inspector;
- 2) Current or previous certification by the Canadian Welding Bureau (CWB); or
- 3) Inspection performed by an engineer, technician, or operator who is competent in the use of weld inspection techniques and equipment, on the basis of formal training, experience, or both, in metals fabrication, inspection, and testing.

E.9 TEST FAILURES/DEFECTS.

E.9.1 FAILURE/DEFECT. A test failure or defect is:

- (1) Any condition or characteristic in the vehicle that is not in compliance with the requirements of this contract.
- (2) A non conformance to a technical requirement as defined in the Performance Specification (Attachment 6) or failure to perform at the Performance Specification levels as previously demonstrated during Production Verification Testing (PVT) under contract DAAE07-00-DM051 and W56HZV-07-D-M112.
- (3) Any item, part, assembly or subassembly on the vehicle that does not function or operate as designed or intended.

E.9.2 In the event of vehicle or component system test failure during any test under the terms of this contract, the Government reserves the right to retest the vehicle or component system to the complete extent and duration specified in the test program, or to such lesser extent as the PCO shall consider appropriate. Retesting requirements are at the sole discretion of the Government. The Contractor shall be responsible for delays in the program test period resulting from vehicle or component defects or failures to adequately or timely furnish parts support. The Government shall have the right to extend the specified period as required.

E.9.2.1 Providing, material, SSP and on-site FSR support will be funded under a Support to Government Test Delivery Order.

E.10 INSPECTION RECORDS Inspection records of all inspections, examinations and tests (in-process or end item) performed by the Contractor shall be kept complete and available for a period of four years following completion of this contract.

*** END OF NARRATIVE E0001 ***

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SECTION I - CONTRACT CLAUSES

<u>Status</u>	<u>Regulatory Cite</u>	<u>Title</u>	<u>Date</u>
I-1 CHANGED	52.232-16	PROGRESS PAYMENTS	APR/2012

The Government will make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly in amounts of \$2,500 or more approved by the Contracting Officer, under the following conditions:

(a) Computation of amounts.

(1) Unless the Contractor requests a smaller amount, the Government will compute each progress payment as 80 percent of the Contractors total costs incurred under this contract whether or not actually paid, plus financing payments to subcontractors (see paragraph (j) of this clause), less the sum of all previous progress payments made by the Government under this contract. The Contracting Officer will consider cost of money that would be allowable under FAR 31.205-10 as an incurred cost for progress payment purposes.

(2) The amount of financing and other payments for supplies and services purchased directly for the contract are limited to the amounts that have been paid by cash, check, or other forms of payment, or that are determined due will be paid to subcontractors--

(i) In accordance with the terms and conditions of a subcontract of invoice; and

(ii) Ordinarily within 30 days of the submission of the Contractors payment request to the Government.

(3) The Government will exclude accrued costs of Contractor contributions under employee pension plans until actually paid unless--

(i) The Contractors practice is to make contributions to the retirement fund quarterly or more frequently; and

(ii) The contribution does not remain unpaid 30 days after the end of the applicable quarter or shorter payment period (any contribution remaining unpaid shall be excluded from the Contractors total costs for progress payments until paid).

(4) The Contractor shall not include the following in total costs for progress payment purposes in paragraph (a)(1) of this clause:

(i) Costs that are not reasonable, allocable to this contract, and consistent with sound and generally accepted accounting principles and practices.

(ii) Costs incurred by subcontractors or suppliers.

(iii) Costs ordinarily capitalized and subject to depreciation or amortization except for the properly depreciated or amortized portion of such costs.

(iv) Payments made or amounts payable to the subcontractors or suppliers, except for--

(A) completed work, including partial deliveries, to which the Contractor has acquired title; and

(B) Work under cost-reimbursement or time-and-material subcontracts to which the Contractor has acquired title.

(5) The amount of unliquidated progress payments may exceed neither (i) the progress payments made against incomplete work (including allowable unliquidated progress payments to subcontractors) nor (ii) the value, for progress payment purposes, of the incomplete work. Incomplete work shall be considered to be the supplies and services required by this contract, for which delivery and invoicing by the Contractor and acceptance by the Government are incomplete.

(6) The total amount of progress payments shall not exceed 80 percent of the total contract price.

(7) If a progress payment or the unliquidated progress payments exceed the amounts permitted by subparagraphs (a)(4) or (a)(5) above, the Contractor shall repay the amount of such excess to the Government on demand.

(8) Notwithstanding any other terms of the contract, the Contractor agrees not to request progress payments in dollar amounts of less than \$2,500. The Contracting Officer may make exceptions.

(9) The costs applicable to items delivered, invoiced, and accepted shall not include costs in excess of the contract price of the items.

(b) Liquidation. Except as provided in the Termination for Convenience of the Government clause, all progress payments shall be liquidated by deducting from any payment under this contract, other than advance or progress payments, the unliquidated progress

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payments, or 80 percent of the amount invoiced, whichever is less. The Contractor shall repay to the Government any amounts required by a retroactive price reduction, after computing liquidations and payments on past invoices at the reduced prices and adjusting the unliquidated progress payments accordingly. The Government reserves the right to unilaterally change from the ordinary liquidation rate to an alternate rate when deemed appropriate for proper contract financing.

(c) Reduction or suspension. The Contracting Officer may reduce or suspend progress payments, increase the rate of liquidation, or take a combination of these actions, after finding on substantial evidence any of the following conditions:

(1) The Contractor failed to comply with any material requirement of this contract (which includes paragraphs (f) and (g) below).

(2) Performance of this contract is endangered by the Contractors --

- (i) Failure to make progress; or
- (ii) Unsatisfactory financial condition.

(3) Inventory allocated to this contract substantially exceeds reasonable requirements.

(4) The Contractor is delinquent in payment of the costs of performing this contract in the ordinary course of business.

(5) The fair value of the undelivered work is less than the amount of unliquidated progress payments for that work.

(6) The Contractor is realizing less profit than that reflected in the establishment of any alternate liquidation rate in paragraph (b) above, and that rate is less than the progress payment rate stated in subparagraph (a)(1) above.

(d) Title.

(1) Title to the property described in this paragraph (d) shall vest in the Government. Vestiture shall be immediately upon the date of this contract, for property acquired or produced before that date. Otherwise, vestiture shall occur when the property is or should have been allocable or properly chargeable to this contract.

(2) Property, as used in this clause, includes all of the below-described items acquired or produced by the Contractor that are or should be allocable or properly chargeable to this contract under sound and generally accepted accounting principles and practices.

(i) Parts, materials, inventories, and work in process;

(ii) Special tooling and special test equipment to which the Government is to acquire title;

(iii) Nondurable (i.e., noncapital) tools, jigs, dies, fixtures, molds, patterns, taps, gauges, test equipment, and other similar manufacturing aids, title to which would not be obtained as special tooling under subparagraph (ii) above; and

(iv) Drawings and technical data, to the extent the Contractor or subcontractors are required to deliver them to the Government by other clauses of this contract.

(3) Although title to property is in the Government under this clause, other applicable clauses of this contract; e.g., the termination clauses, shall determine the handling and disposition of the property.

(4) The Contractor may sell any scrap resulting from production under this contract without requesting the Contracting Officers approval, but the proceeds shall be credited against the costs of performance.

(5) To acquire for its own use or dispose of property to which title is vested in the Government under this clause, the Contractor must obtain the Contracting Officers advance approval of the action and the terms. The Contractor shall

(i) exclude the allocable costs of the property from the costs of contract performance, and

(ii) repay to the Government any amount of unliquidated progress payments allocable to the property. Repayment may be by cash or credit memorandum.

(6) When the Contractor completes all of the obligations under this contract, including liquidation of all progress payments, title shall vest in the Contractor for all property (or the proceeds thereof) not --

(i) Delivered to, and accepted by, the Government under this contract; or

(ii) Incorporated in supplies delivered to, and accepted by, the Government under this contract and to which title is vested in the Government under this clause.

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(7) The terms of this contract concerning liability for Government-furnished property shall not apply to property to which the Government acquired title solely under this clause.

(e) Risk of loss. Before delivery to and acceptance by the Government, the Contractor shall bear the risk of loss for property, the title to which vests in the Government under this clause, except to the extent the Government expressly assumes the risk. The Contractor shall repay the Government an amount equal to the unliquidated progress payments that are based on costs allocable to property that is lost (see 45.101).

(f) Control of costs and property. The Contractor shall maintain an accounting system and controls adequate for the proper administration of this clause.

(g) Reports, forms, and access to records.

(1) The Contractor shall promptly furnish reports, certificates, financial statements, and other pertinent information (including estimates to complete) reasonably requested by the Contracting Officer for the administration of this clause. Also, the Contractor shall give the Government reasonable opportunity to examine and verify the Contractor's books, records, and accounts.

(2) The Contractor shall furnish estimates to complete that have been developed or updated within six months of the date of the progress payment request. The estimates to complete shall represent the Contractor's best estimate of total costs to complete all remaining contract work required under the contract. The estimates shall include sufficient detail to permit Government verification.

(3) Each Contractor request for progress payment shall:

(i) Be submitted on Standard Form 1443, Contractor's Request for Progress Payment, or the electronic equivalent as required by agency regulations, in accordance with the form instructions and the contract terms; and

(ii) Include any additional supporting documentation requested by the Contracting Officer.

(h) Special terms regarding default. If this contract is terminated under the Default clause,

(i) the Contractor shall, on demand, repay to the Government the amount of unliquidated progress payments and

(ii) title shall vest in the Contractor, on full liquidation of progress payments, for all property for which the Government elects not to require delivery under the Default clause. The Government shall be liable for no payment except as provided by the Default clause.

(i) Reservations of rights.

(1) No payment or vesting of title under this clause shall --

(i) Excuse the Contractor from performance of obligations under this contract; or

(ii) Constitute a waiver of any of the rights or remedies of the parties under the contract.

(2) The Governments rights and remedies under this clause --

(i) Shall not be exclusive but rather shall be in addition to any other rights and remedies provided by law or this contract; and

(ii) Shall not be affected by delayed, partial, or omitted exercise of any right, remedy, power, or privilege, nor shall such exercise or any single exercise preclude or impair any further exercise under this clause or the exercise of any other right, power, or privilege of the Government.

(j) Financing payments to subcontractors. The financing payments to subcontractors mentioned in paragraphs (a)(1) and (a)(2) of this clause shall be all financing payments to subcontractors or divisions, if the following conditions are met:

(1) The amounts included are limited to --

(i) The unliquidated remainder of financing payments made; plus

(ii) Any unpaid subcontractor requests for financing payments.

(2) The subcontract or interdivisional order is expected to involve a minimum of approximately 6 months between the beginning of work and the first delivery, or, if the subcontractor is a small business concern, 4 months.

(3) If the financing payments are in the form or progress payments, the terms of the subcontract or interdivisional order concerning

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progress payments --

(i) Are substantially similar to the terms of the clause for any subcontractor that is a large business concern, or that clause with its Alternate I for any subcontractor that is a small business concern;

(ii) Are at least as favorable to the Government as the terms of this clause;

(iii) Are not more favorable to the subcontractor or division than the terms of this clause are to the Contractor;

(iv) Are in conformance with the requirements of FAR 32.504(e); and

(v) Subordinate all subcontractor rights concerning property to which the Government has title under the subcontract to the Government's right to require delivery of the property to the Government if --

(A) The Contractor defaults; or

(B) The subcontractor becomes bankrupt or insolvent.

(4) If the financing payments are in the form of performance-based payments, the terms of the subcontract or interdivisional order concerning payments--

(i) Are substantially similar to the Performance-Based Payments clause at FAR 52.232-32 and meet the criteria for, and definition of, performance-based payments in FAR Part 32;

(ii) Are in conformance with the requirements of FAR 32.504(f); and

(iii) Subordinate all subcontractor rights concerning property to which the Government has title under the subcontract to the Government's right to require delivery of the property to the Government if--

(A) The Contractor defaults; or

(B) The subcontractor becomes bankrupt or insolvent.

(5) If the financing payments are in the form of commercial item financing payments, the terms of the subcontract or interdivisional order concerning payments

(i) Are constructed in accordance with FAR 32.206(c) and included in a subcontract for a commercial item purchase that meets the definition and standards for acquisition of commercial items in FAR Part 2 and 12;

(ii) Are in conformance with the requirements of FAR 32.504(g); and

(iii) Subordinate all subcontractor rights concerning property to which the Government has title under the subcontract to the Government's right to require delivery of the property to the Government if--

(A) The Contractor defaults; or

(B) The subcontractor becomes bankrupt or insolvent.

(6) If financing is in the form of progress payments, the progress payment rate in the subcontract is the customary rate used by the contracting agency, depending on whether the subcontractor is or is not a small business concern.

(7) Concerning any proceeds received by the Government for property to which title has vested in the Government under the subcontract terms, the parties agree that the proceeds shall be applied to reducing any unliquidated financing payments by the Government to the Contractor under this contract.

(8) If no unliquidated financing payments to the Contractor remain, but there are unliquidated financing payments that the Contractor has made to any subcontractor, the Contractor shall be subrogated to all the rights the Government obtained through the terms required by this clause to be in any subcontract, as if all such rights had been assigned and transferred to the Contractor.

(9) To facilitate small business participation in subcontracting under this contract, the Contractor shall provide financing payments to small business concerns, in conformity with the standards for customary contract financing payments stated in Subpart 32.113. The Contractor shall not consider the need for such financing payments as a handicap or adverse factor in the award of subcontracts.

(k) Limitations on undefinitized contract actions. Notwithstanding any other progress payment provisions in this contract, progress payments may not exceed 80 percent of costs incurred on work accomplished under undefinitized contract actions. A contract action is any action resulting in a contract, as defined in Subpart 2.1, including contract modifications for additional supplies or services, but not

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including contract modifications that are within the scope and under the terms of the contract, such as contract modifications issued pursuant to the Changes clause, or funding and other administrative changes. This limitation shall apply to the costs incurred, as computed in accordance with paragraph (a) of this clause, and shall remain in effect until the contract action is definitized. Costs incurred which are subject to this limitation shall be segregated on Contractor progress payment requests and invoices from those costs eligible for higher progress payment rates. For purposes of progress payment liquidation, as described in paragraph (b) of this clause, progress payments for undefinitized contract actions shall be liquidated at 80 percent of the amount invoiced for work performed under the undefinitized contract action as long as the contract action remains undefinitized. The amount of unliquidated progress payments for undefinitized contract actions shall not exceed 80 percent of the maximum liability of the Government under the undefinitized contract action or such lower limit specified elsewhere in the contract. Separate limits may be specified for separate actions.

(l) Due date. The designated payment office will make progress payments on the 30TH day after the designated billing office receives a proper progress payment request. In the event that the Government requires an audit or other review of a specific progress payment request to ensure compliance with the terms and conditions of the contract, the designated payment office is not compelled to make a payment by the specified due date. Progress payments are considered contract financing and are not subject to the interest penalty provisions of the Prompt Payment Act.

(m) Progress payments under indefinitedelivery contracts. The Contractor shall account for and submit progress payment requests under individual orders as if the order constituted a separate contract, unless otherwise specified in this contract.

(End of Clause)

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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>
Exhibit FR	CDRL P002 - STANDARD HOURS REPORT	DELETED		EMAIL
Exhibit FT	CDRL P006 - FIR (FLAT BOTTOM VEHICLES)			EMAIL