

**AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT**

1. CONTRACT ID CODE: L  
PAGE OF PAGES: 1 | 24

2. AMENDMENT/MODIFICATION NO.: **P00006**  
3. EFFECTIVE DATE: **27 Jun 2013**  
4. REQUISITION/PURCHASE REQ. NO.: SEE SCHEDULE  
5. PROJECT NO. (If applicable):

6. ISSUED BY: NAVAL AIR SYSTEMS COMMAND  
SUITE 155, BLDG 2272  
47123 BUSS ROAD UNIT 1PT  
PATUXENT RIVER MD 20670  
CODE: N00019  
7. ADMINISTERED BY (If other than item 6): DCMA BOEING PHILADELPHIA  
PO BOX 18659  
PHILADELPHIA PA 19142-0659  
CODE: S3916A

8. NAME AND ADDRESS OF CONTRACTOR (No., Street, County, State and Zip Code):  
BELL BOEING JOINT PROJECT OFFICE  
401 TILTROTOR DR PLANT A  
AMARILLO TX 79111-1200  
9A. AMENDMENT OF SOLICITATION NO.:  
9B. DATED (SEE ITEM 11):  
X 10A. MOD. OF CONTRACT/ORDER NO.: N00019-12-C-2001  
10B. DATED (SEE ITEM 13):  
X 29-Dec-2011

CODE: 3B1B2 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 Offer  is extended,  is not extended.  
Offer 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 amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment 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)  
**See Schedule**

**13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.**

- A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
- B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(B).
- X C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: **Clause H-4 and Mutual Agreement of the Parties.**
- D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor  is not,  is required to sign this document and return 1 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)  
Modification Control Number: **websterg137119**  
The purpose of this modification is to procure an MV-22 aircraft pursuant to the terms and conditions of clause H-4 "Variation in Quantity (Upward Adjustment)" and to incorporate Performance Based Payment financing.  
PID# N00019-13-P7-PMA-275-0313

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

15A. NAME AND TITLE OF SIGNER (Type or print): **Manager Contracts**  
15C. DATE SIGNED: **06/24/2013**  
15D. DATE SIGNED: **27 JUN 2013**

SECTION SF 30 BLOCK 14 CONTINUATION PAGE

The following items are applicable to this modification:

SUMMARY OF CHANGES

SECTION A - SOLICITATION/CONTRACT FORM

The total cost of this contract was increased by [REDACTED] from [REDACTED] to [REDACTED]

SECTION B - SUPPLIES OR SERVICES AND PRICES

CLIN 0002

The CLIN description has changed from Data for Items 0001, 0006 & Option 0003 to Data for Items 0001,0004,0006&Option0003.

CLIN 0004

- The CLIN type priced has been added.
- The CLIN description has changed from RESERVED to MV-22 Aircraft.
- The CLIN extended description VIQ Aircraft #1 procured pursuant to clause [REDACTED] has been added.
- The target cost has increased by [REDACTED] from [REDACTED] to [REDACTED].
- The pricing detail quantity 1.00 has been added.
- The target profit/fee has increased by [REDACTED] from [REDACTED] to [REDACTED].
- The unit price amount [REDACTED] has been added.
- The unit of issue Each has been added.
- The ceiling price [REDACTED] has been added.
- The target profit percent [REDACTED] has been added.
- The ceiling percent [REDACTED] has been added.
- The PTA cost [REDACTED] has been added.
- The PTA profit [REDACTED] has been added.
- The PTA profit percent [REDACTED] has been added.
- The government share above [REDACTED] has been added.
- The government share below [REDACTED] has been added.
- The target to ceiling spread [REDACTED] has been added.
- The total cost of this line item has increased by [REDACTED] from [REDACTED] to [REDACTED].

SUBCLIN 000401 is added as follows:

ITEM NO	SUPPLIES/SERVICES	AMOUNT
000401	Full Funding (FY13)(APN)	
CIN: [REDACTED]	ACRN [REDACTED]	[REDACTED]
PURCHASE REQUEST NUMBER: [REDACTED]		

**SECTION C - DESCRIPTIONS AND SPECIFICATIONS**

The following have been modified:

**SECTION C  
 STATEMENT OF WORK**

1. Items 0001, 0004, 0101, 0201, 0301, 0401, and Option Item 0003 – The MV-22 aircraft to be furnished hereunder, fully fueled and ready for delivery, shall be fabricated to the “as built configuration” defined by [REDACTED], as modified by Engineering Change Proposal (ECP) Baseline Changes, Attachment (3). The three documents listed above reflect the production build-to information inclusive of drawings, parts/materials lists, work instructions, functional test requirements, acceptance test requirements, and all other elements used to define and build the MV-22 aircraft. Further, the MV-22 aircraft to be furnished hereunder shall meet the technical / performance requirements defined in the [REDACTED] with the exception of those requirements set forth in [REDACTED] as modified by Attachment (3) Engineering Change Proposal (ECP) Baseline Changes. All documents listed above constitute the baseline configuration for the MV-22B aircraft. All changes to this baseline shall be submitted as ECPs, as required, in accordance with the latest Government-approved Bell Boeing V-22 Configuration Management Plan; NAVAIR Clause 5252.243-9505, Engineering Changes; and applicable Contract Data Requirements Lists (CDRLs). The contract is priced on the “as built configuration.” Resolution of any ambiguity within the drawing package and / or the detailed specification shall occur following notification to the Procuring Contracting Officer (PCO). The Contractor shall execute Unique Identification (UID) in accordance with DFARS 252.211.7003, Item Identification and Valuation (JUN 2011), only for the parts so identified in Section J, Attachment (12).

a. The guaranteed weight empty of the MV-22 aircraft shall be in accordance with [REDACTED] Aircraft weight shall be reported in accordance with CDRLs A00J and A00P.

b. The Contractor shall assume full responsibility for integrating and interfacing into the MV-22 aircraft both Government-owned property furnished to the Contractor hereunder as identified in the Government Furnished Equipment List, Attachment (4), and property purchased or manufactured by the Contractor in performance hereof, including long lead-time items listed on the Long Lead-Time Parts List, Attachment (10) and Economic Order Quantity (EOQ) items listed on the Economic Order Quantity Components, Materials, and Parts List, Attachment (11).

c. Serial Numbers – The MV aircraft bureau numbers called for hereunder shall be serially numbered in sequence beginning with Lot 17 168601 through 168617, Lot 18 168618 through 168636, Option Item 0003 bureau number will be determined upon execution of the option, Item 0004 (VIQ Aircraft #1) 168637, Lot 19 168638 through 168656, Lot 20 168657 through 168675, and Lot 21 168676 through 168693.

d. Aircraft Mission Kits - The Aircraft Mission Kits to be delivered uninstalled for the MV Aircraft are as set forth in the following table:

MV-22 Uninstalled Mission Kits	Lot 17	Lot 18	Option Item 0003	Item 0004 (VIQ#1)	Lot 19	Lot 20	Lot 21
[REDACTED]	17	19	1	1	19	19	18
[REDACTED]	17	19	1	1	19	19	18

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[REDACTED]

**2. Items 0006, 0106, and Option Item 0107 -** The CV-22 aircraft to be furnished hereunder, fully fueled and ready for delivery, shall be fabricated to the "as built configuration" defined by [REDACTED]

as modified by Attachment (3) Engineering Change Proposal Baseline Changes. The three documents listed above reflect the production build-to information inclusive of drawings, parts / materials lists, work instructions, functional test requirements, acceptance test requirements, and all other elements used to define and build the CV-22 aircraft. Further, the CV-22 aircraft to be furnished hereunder shall meet the technical / performance requirements defined in the [REDACTED]

All documents listed above constitute the baseline configuration for the CV-22 aircraft. All changes to this baseline shall be submitted as ECPs, as required, in accordance with the latest Government-approved Bell Boeing V-22 Configuration Management Plan, NAVAIR Clause 5252.243-9505, Engineering Changes, and applicable Contract Data Requirements Lists (CDRLs). The contract is priced on the "as built configuration." Resolution of any ambiguity within the drawing package and / or the detailed specification shall occur following notification to the Procuring Contracting Officer (PCO). The Contractor shall execute UID in accordance with DFARS 252.211.7003, Item Identification and Valuation (JUN 2011), only for the parts so identified in Section J, Attachment (12).

- a. The guaranteed weight empty of the CV-22 aircraft shall be in accordance with [REDACTED] Aircraft weight shall be reported in accordance with CDRLs A00K and A00P.
- b. The Contractor shall assume full responsibility for integrating and interfacing into the CV-22 aircraft both Government-owned property furnished to the Contractor hereunder as identified in the Government Furnished Equipment List, Attachment (4), and property purchased or manufactured by the Contractor in performance hereof, including long lead-time items listed on the Long Lead-Time Items Parts List, Attachment (10), and EOQ items listed on the Economic Order Quantity Components, Materials, and Parts List, Attachment (11).
- c. Serial Numbers – The CV aircraft called for hereunder shall be serially numbered in sequence beginning with Lot 17 130068 to 130071 and Lot 18 140072 through 140074, Option Item 0107 serial number will be determined upon execution of the option,.
- d. Aircraft Mission Kits - The Aircraft Mission Kits to be delivered uninstalled for the CV Aircraft are as set forth in the following table:

CV-22 Uninstalled Mission Kits	Lot 17	Lot 18	Option Item 0107
[REDACTED]	4	3	1
[REDACTED]	4	3	1
[REDACTED]	4	3	1
[REDACTED]	4	3	1

[REDACTED]

[REDACTED]

3. Items 0001, 0004, 0006, 0101, 0106, 0201, 0301, 0401, and Option Items 0003 and 0107 - In addition to the requirements specified above, the Contractor shall provide production engineering support, also referred to as other recurring engineering, in accordance with paragraphs A through N below:

A. Program Reviews / Reporting

1. Program Management Reviews: The Contractor shall conduct quarterly Program Management Reviews (PMR) between the Contractor's management team and the Government's Program Management team at the Contractor's facility or mutually agreed to locations. During these reviews, the Contractor shall present integrated cost, schedule, technical performance, obsolescence status, and quality metrics. Integrated Product Team leaders or functional managers shall be prepared to discuss cost, schedule status, technical performance, risk, and earned value as an integrating tool. The following shall be addressed: cost / schedule trends, significant cost / schedule / technical variances, projected impacts, quantified risk assessments and corrective action plans, as well as, continuous process improvement projects and results. The Contractor shall provide the PMR presentations, minutes, and action items in accordance with Contract Data Requirements List (CDRL) A00F.

2. Contractor Cost and Software Data Reporting (CSDR): The Cost Data Summary Report (CDSR), DD Form 1921, shall be prepared in accordance with CDRLs B001 (MV) and B002 (CV).

3. Functional Cost-Hour and Progress Curve Report: The Functional Cost-Hour and Progress Curve Report, DD Form 1921-1, shall be prepared in accordance with CDRLs B003 (MV) and B004 (CV).

4. Contract Work Breakdown Structure (CWBS): The Contractor shall develop and maintain the CWBS and CWBS dictionary using the work breakdown structure contained in the Contractor Cost and Software Data Reporting (CSDR), Attachment (9), and in accordance with CDRL B005 (MV) and B006 (CV).

5. Contractor Integrated Performance Management: Contractor Integrated Performance Management: DFARS Clause 252.234-7002, Earned Value Management System (MAY 2011), applies. The Cost Performance Report (CPR) and Integrated Master Schedule (IMS) shall be developed, maintained, updated / statused, and reported on a monthly basis per CDRL B009 and B008 requirements, respectively. The Contractor shall also provide Contract Funds Status Reports (CFSRs) in accordance with CDRL B007. The Contractor shall establish, maintain, and use in the performance of this contract an integrated management system compliant with the Industry Guidelines for Earned Value Management Systems (EVMS) ANSI / EIA-748-98 as determined by the cognizant Contracting Officer. An EVMS that has been formally validated and accepted by the cognizant Contracting Officer is required for cost or incentive contracts, subcontracts, and other agreements valued at or greater than [REDACTED] in then-year dollars. The application of these concepts shall provide for early indications of contract cost and schedule problems. Earned value assessments shall correlate with technical achievement. A Compliance Review of the Contractor's EVMS will not be performed unless the Government program manager determines that it is necessary from Integrated Baseline Review (IBR) results, surveillance, or cost and schedule data quality assessments.

6. In regard to DFARS Clause 252-234-7002, Earned Value Management System (MAY 2011), the Contractor is required to have an EVMS that complies with ANSI / EIA-748-98; however, the Government will not formally validate/accept the Contractor's management system (no formal review). The Contractor shall provide Contract Cost and Software Data Reporting (CSDR) in accordance with CDRLs B001, B002, B003, B004, B005, B006 and the CSDR Plan, Attachment (9).

7. Integrated Baseline Review (IBR): The Contractor shall review its performance measurement baseline plan with the Government within six months of the contract award and subsequently, when required, following major changes to the baseline. The Government will verify during the IBR, and when follow-on IBR(s) is / are required, that the

Contractor has established and maintains a reliable performance measurement baseline. The Contractor shall ensure that the baseline includes the entire contract technical scope of work consistent with contract schedule requirements and that the Contractor has adequate resources assigned. The Contractor shall assure the Government that effective earned value methods are used to accurately status contract cost, schedule, and technical performance. The IBR shall be used to achieve a mutual understanding of the baseline plan, cost and schedule risk, and the underlying management processes used for planning and controlling the project.

**8. Subcontract Cost / Schedule Management and Reporting:** Significant critical non-fixed price subcontracts exceeding [REDACTED] in then-year dollars shall have applied to them the requirements of DFARS Clause 252.234-7002, Earned Value Management System (MAY 2011); Integrated Master Schedule (DI-MGMT-81650); and the Contract Performance Report (DI-MGMT-81466A). For subcontracts valued at or greater than [REDACTED] but less than [REDACTED] in then-year dollars, the following statement applies: In regard to DFARS Clause 252.234-7002, Earned Value Management System (MAY 2011), the Contractor is required to have an EVMS that complies with ANSI / EIA-748-98; however, the Government will not formally validate/accept the Contractor's management system (no formal review). EVMS flowdown to contracts of less than [REDACTED] in then-year dollars or Firm Fixed Price contracts that exceed 12 months duration is a risk-based decision and will be mutually agreed between the Contractor and the Government.

**9. Over Target Baseline (OTB)/Restructure:** The Contractor may conclude that the baseline no longer represents a realistic plan in terms of budget / schedule execution. In the event the Contractor determines an OTB / Restructuring action is necessary, the Contractor must obtain Government approval prior to implementing an OTB / Restructuring action. The request shall also include detailed implementation procedures as well as an implementation timeframe. The Contractor shall not implement the OTB / Restructuring prior to receiving written approval from the Contracting Officer.

#### B. Configuration / Data Management

1. The Government will maintain configuration control and change authority for all Class I changes that includes modifications or changes affecting form, fit, function, or interface parameters of the aircraft, its assemblies, and sub-assemblies. The Contractor shall maintain configuration of the aircraft, its assemblies, and sub-assemblies in accordance with the Contractor's government-approved Configuration Management Plan (CMP) CDRL A00A. The Contractor shall submit Engineering Change Proposals (ECPs) to NAVAIR for Change Control Board (CCB) approval for any Class I change that impacts the aircraft, its assemblies, and sub-assemblies covered by this contract. Contractor Class II changes must be reviewed for Government concurrence of classification. Class II changes (Contractor and Tier 1 Suppliers) shall be reported in accordance with CDRL A00M. A change will be designated Class I or Class II as defined in the V-22 CMP. The Government shall be entitled to consideration in the event the Contractor misclassifies a change, and additional effort is required to correct the misclassification of the change.

2. Any Class I or Class II change affecting any critical part shall be identified as such. The Contractor shall maintain a critical parts list ([REDACTED]).

3. If the Contractor has an ECP pending or approved with another Government activity the Contractor proposes to incorporate under this contract, the Contractor shall notify the Procurement Contracting Officer and Configuration Manager of the status of the ECP and provide a copy of the ECP submission. Any such Class I ECP will not be effective on this contract unless or until incorporated by modification to this contract after CCB approval. Engineering changes shall be developed using the Systems Engineering process and shall consider / address design interface, reliability, maintainability, testability, integrated logistics support elements, life cycle costs, operation and support costs, support equipment, trainers, and training impacts (courseware, curriculum, difference training, etc.). Changes to common Navy and Air Force publications are not the Contractor's responsibility.

4. The Contractor shall maintain the "as built" configuration data of all aircraft delivered under this contract. Deviation requests shall be prepared and submitted in accordance with CDRL A008.

5. The Contractor shall maintain all functions of configuration management as per the latest approved PMA-275 V-22 Configuration Management Plan (CMP). The Contractor shall implement all configuration management and data management procedures for the V-22 Program as per the latest approved Contractor CMP ([REDACTED]), in accordance with CDRLs A007, A008, A009, A00A, A00C, A00D, A00E, A00G, and A00L.

6. The Contractor shall perform Configuration and Data Management Recurring support. This effort includes the basic administrative functions in the area of configuration and data management to support V-22 aircraft production. Specific tasking includes, but is not limited to, maintaining appropriate configuration databases, supporting Configuration Review Boards, coordination of all appropriate data requirements, providing responses to data inquiries, and maintaining a data library for the V-22 program. This recurring administrative support also covers the ECPs; the administrative effort associated with drawing and planning releases as well as preparation and submissions of CDRLs for ECPs shall be included as part of the individual ECPs.

7. The Contractor shall update the V-22 Interchangeability and Replaceability Program Plan and Working List in accordance with [REDACTED] and CDRL A00Q to reflect Contract N00019-12-C-2001 parts and nomenclature updates.

C. MV-22 and CV-22 Aircraft Acceptance Test Procedures

1. The Contractor shall submit for Government approval an Acceptance Test Procedure covering the acceptance criteria for the MV-22 and CV-22 aircraft to be furnished hereunder in accordance with CDRL A005.

D. V-22 and Production Pilot Staff

1. The Contractor shall provide a production pilot staff to conduct and document test activity for each V-22 production aircraft in accordance with the V-22 Acceptance Test Specification to support the aircraft delivery schedule set forth in Section F of this contract.

[REDACTED]


F. Quality Assurance

1. The Contractor shall maintain a Quality Assurance Program based on the approved V-22 Quality Assurance Program Plan (QAPP) [REDACTED]. The QAPP shall be maintained to reflect the current quality system registration for both Bell and Boeing (CDRL A00R). The Contractor shall update and maintain a plan that describes how requirements in the contract are met and how the quality system elements applicable to those program requirements are controlled according to the provisions of AS9100 Revision C.

2. The Contractor shall, as outlined in AS9100C, Company Quality Policy, Quality Assurance Program Plan, and the Associated Corrective and Preventative Action Improvements Boards, ensure the following:

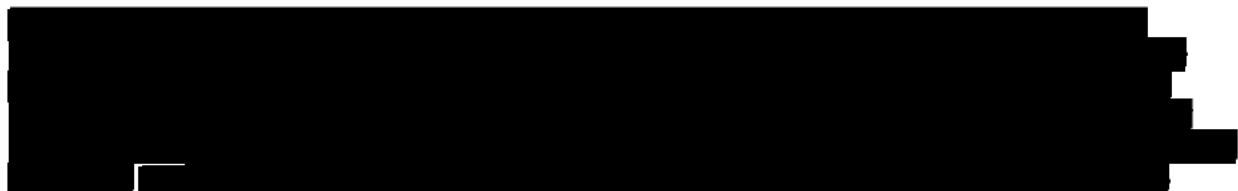
- Establish and maintain metric driven data to ensure corrective action
- Corrective Action Boards which are open and attended by the customer
- Root Cause and Corrective Action on identified systemic problems
- Implementation Plans (Corrective Action Plans)
- Annual goals and at least monthly reviews on performance to those goals

The Government shall be granted access to Prime Contractor data that reflects the aircraft "as built" status. This data is available in the company's Manufacturing Execution System (MES) that provides planned maintenance, defect, non-conforming material, material review board, scrap, and job completion data.

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3. The Contractor shall report quarterly progress toward established annual goals to the Government, during either regularly scheduled Production Program Reviews or Semi-Annual Quality Assurance Technical Coordination Meetings, at the contractor's facility. This includes performance to the Quality Assurance Program Plan and an assessment of the health of the Quality System.
  4. Alert / Safe - Alert: The Alert / Safe - Alert GIDEP Form 97-1 shall be prepared and submitted in accordance with CDRL A001.


G. Security

1. The Contractor shall implement and maintain security procedures and controls to prevent unauthorized disclosure of classified and sensitive unclassified information in accordance with applicable security classification guides and security regulations. The Contractor shall control distribution of classified and sensitive unclassified information to persons with the applicable clearance and need to know. The Contractor shall ensure that foreign nationals assigned to, or employed by, the Contractor be provided access to only the information that has been approved for release for their assigned duties.
2. The Government's Program Protection Plan (PPP) and all attachments will be provided in electronic format by the requiring program office and cognizant contracting officials to the Contractor as Government Furnished Information (GFI). The Contractor shall prepare, review, or revise, as required, the Program Protection Implementation Plan (PIIP). The Contractor shall prepare the PIIP in accordance with CDRL A003 when an approved revision to the Government PPP is provided.



5. The Contractor shall apply and use Distribution Statements in accordance with applicable regulations.

H. Quality Conformance Acceptance Testing (QCAT)

1. The Quality Conformance Acceptance Testing requires data collection during the customer production aircraft acceptance test flight(s) in accordance with  V-22 Acceptance Test Procedures, conducted at the



Contractor's facility, and shall determine whether or not the production aircraft weapon systems offered for acceptance meet the desired reliability levels. The QCAT testing is not intended to constitute a special flight.

2. Each production aircraft weapon system, following the completion of contractor functional shakedown test flights, shall be submitted for customer acceptance flights followed by the maintenance needed to bring the Aircraft Weapon System to full operating capability. If a system and / or component fail a check and, after maintenance, a subsequent flight is necessary, only those sequences requiring a recheck must be re-flown.

3. Data from the last 100 flight hours accumulated during customer flights will be collected and evaluated for the quality conformance. As each flight is completed and analyzed, data from that flight will be added to the database and data from the earliest flight will be dropped as required to maintain a continuously updated 100-flight hour sample. [REDACTED]

4. The data collected will be reviewed by the Contractor and customer at the scheduled Reliability and Maintainability Review Board (RMRB) meeting and will be scored as to its chargeability to the Reliability requirement of [REDACTED]. Data results will be integrated into the V-22 Failure Report, Analysis and Corrective Action System (FRACAS) Database.

I. Hazardous Materials and Environmental Management

1. The Contractor shall plan, develop, implement, monitor, and maintain an effective Hazardous Materials (HAZMAT) Environmental Management Program in accordance with National Aerospace Standard 411, "Hazardous Materials Management Program," dated July 1993, with Revision 1, dated 11 March 1994, and Revision 2, dated 29 April 1994, in support of aircraft production activities. The purpose of this program is to eliminate or reduce (where elimination is not feasible) the use and improper disposal of hazardous materials. The emphasis shall be on eliminating or reducing those hazards that are used or generated during the fabrication of the aircraft and its associated support items. Hazardous materials for the purpose of this contract shall be those materials identified in Sections 2.0 and 2.1 of the V-22 LRIP Hazardous Material Management Program (HMMP) Plan, [REDACTED].

2. The Contractor's HAZMAT Management Program under the scope of this contract shall address the production phase of the V-22 aircraft to optimize performance and operational requirements and comply with environmental laws and regulations. The program shall also evaluate the costs associated with the use, handling, treatment, and / or disposal of the hazardous materials and by products not addressed under the Engineering and Management Development (EMD) contract that are introduced throughout production in conjunction with the costs of using alternative (non-HAZMAT) materials.

3. The Contractor is required to make available all technical data, test data, and engineering specifications and provide technical liaisons with Government personnel throughout the life of the contract to enable the Government to address environmental issues associated with the V-22 aircraft.

4. Title VI, Section 604 of the Clean Air Act calls for the elimination of the production of Class I Ozone Depleting Substances (ODS) by January 1, 2000; therefore, no Class I ODS(s), as defined in Title VI of the Clean Air Act, nor materials containing Class I ODS(s) as an ingredient, shall be approved for use during production of the V-22 aircraft except when authorized by the Procuring Contracting Officer in accordance with approval obtained under the Department of Defense Federal Acquisition Regulations Supplement, Subpart 223.8.

5. The V-22 LRIP HMMP Plan [REDACTED], shall be used as the V-22 HMMP Plan. The Contractor shall update the HMMP Plan in accordance with CDRL A00B. Subsequent updates shall be prepared and submitted upon Government and Contractor concurrence.

6. The Contractor shall support the Environmental Process Action Team (EPAT) meetings in support of aircraft production activities.

7. Updates to the HMMP Report shall be provided by the Contractor for changes only to reflect the NAS 411 "Hazardous Materials Management Program" report requirements as tailored herein in accordance with CDRL A002.

8. NAS 411 paragraphs 4.4 and 4.4.1 are tailored as follows:

4.4 – The Contractor shall maintain the existing HAZMAT database.

4.4.1 – Identification of any new hazardous materials proposed for use by the Contractor in support of the V-22 aircraft produced under this contract and for HAZMATs not addressed under EMD and previous Lots 1 through 16 contracts that are introduced in new or redesigned end item hardware that require special handling and disposal to include:

(a) Hazardous material/waste name;

(b) Usage (Technical documentation and/or Specs or standards that require the use of the Hazardous material).

9. Based on the results of any HAZMAT identification in support of production aircraft, under paragraph 4.3.2 of NAS 411, the Contractor shall recommend trade study candidates to the Government. The Contractor shall perform or implement trade studies only when authorized by a properly executed contract modification signed by the Procuring Contracting Officer.

J. Failure Report, Analysis, and Corrective Action System (FRACAS) for Aircraft Prior to Acceptance

1. A tailored FRACAS Program shall be maintained for the production aircraft. The Contractor shall continue a failure reporting process developed and implemented on previous V-22 contracts. Trends and failures shall be analyzed and recommendations for corrective action shall be made to the Government through the applicable change (i.e., ECP) process. The affected Integrated Product Team (IPT) and / or engineering group shall participate in the analysis of corrective action determination. Reliability failure assessments shall be based upon manufacturing, supplier, and in-house data. Key elements of this requirement shall be:

a. Data Collection Criteria – Maintenance events and anomalies, including Built-In-Test (BIT), shall be reviewed. Maintenance events occurring during Government acceptance flights, prior to DD Form 250, shall be evaluated and classified for relevancy by the Contractor / Government Reliability and Maintainability Review Board.

b. Factory Data Collection – The Contractor's Reliability and Maintainability (R&M) group shall review the maintenance events and anomalies that occur during the manufacturing process at the Contractor's facility, including BIT. Anomalies requiring failure analysis investigation, as determined by the Contractor's R&M team, shall be entered into the FRACAS database.

c. Failure Database – The Contractor shall maintain a failure database similar to the databases developed and implemented on previous V-22 contracts. The failure database shall be used for:

- Failure scoring of pre-delivered aircraft data to verify achievement of the specified Quality Conformance Acceptance Criteria.
- IPT and supplier evaluation of reported failures and anomalies for corrective action implementation. This includes supplier site meetings to evaluate root cause analyses and corrective actions when required.

d. R&M Evaluation – R&M requirements shall be measured using data collected by the Contractor during aircraft build and acceptance. R&M evaluation shall consider supplier analyses and in-house testing. The Contractor's R&M group shall perform trend analysis to determine any unfavorable trends.

e. Suppliers – Based on observed failures under previous V-22 contracts, the projected production failures, and part criticality, selected suppliers with expected high failure rates may be placed on contract by the Contractor to support

the failure reporting and corrective action process. Other suppliers whose observed failures were low and their projected production failure rates are expected to be low should be placed on contract by the Contractor for individual failure investigations on an as required basis. The supplier shall conduct a failure analysis of failed components and assist in determining recommendations for corrective action. The cost of component repair, rework, and retest shall not be directly charged to FRACAS, as these costs are chargeable to production aircraft CLINs.

[REDACTED]

[REDACTED]

L. Systems Engineering

1. The Contractor shall maintain all functions of Systems Engineering as per the latest approved V-22 Systems Engineering Management Plan (SEMP). The Contractor shall implement all systems engineering procedures for the V-22 program, for production, as per the approved SEM in accordance with CDRL A00H. Updates to the SEM shall be provided by the Contractor in accordance with CDRL A00H.

2. The Contractor shall maintain the V-22 Detailed Specification [REDACTED] [REDACTED] thereto, as modified by the ECPs set forth in Attachment (3) including submittals for changes, updates to incorporate changes, and electronic deliveries in accordance with CDRL A007.

3. The Contractor shall perform Systems Engineering Management and Administration Recurring support. This effort includes the basic administrative functions to support Systems Engineering and Program Management Information Systems, collaboration tools, and/or databases, including [REDACTED]. Specific tasking includes, but is not limited to, V-22 Action Item Database support; support of meetings associated with production impacts resulting from Technical Interchange Meetings, Preliminary Design Reviews, and Critical Design Reviews, Functional configuration Audits, Physical configuration Audits, and First Article Inspections; and support of the Program Integration Team (PIT) IPT. This recurring administrative support also covers ECPs; however, the administrative effort associated with design reviews, systems engineering analysis and support, and specification changes, as well as, preparation and submissions of CDRLs for ECPs shall be included as part of the individual ECPs.

M. System Safety

1. The Contractor shall plan, develop, implement, monitor, and maintain an effective System Safety Program in accordance with the approved System Safety Program Plan (SSPP), [REDACTED] referenced in the SEM. The purpose of this program is to perform risk assessments to address safety issues associated with the V-22 aircraft in production status. Risk assessments shall indicate hazard severity and hazard probability using the hazard categorization matrix tailored for the V-22 program in accordance with the approved SSPP [REDACTED]. This includes risk assessments performed in conjunction with waivers and deviations. The Contractor is required to make available all technical data, test data, and engineering specifications and provide technical liaisons with Government personnel throughout the life of the contract to enable the Government to address safety issues associated with the V-22 aircraft.

2. The Contractor, in conjunction with the Government System Safety managing activity, shall support the Systems Safety Working Group (SSWG) meetings to address production related safety issues. Meetings shall be held three (3) times per year. Contractor support of the SSWG shall be in accordance with the approved SSPP [REDACTED]

3. For identified safety issues associated with V-22 aircraft in production under this contract, the Contractor shall maintain closed-loop hazard tracking to ensure that hazard mitigations are implemented and effective and that the associated residual risk is identified. This effort shall include, but is not limited to, hazard mitigations, risks identified through Formal Risk Assessments, and / or hazards maintained in Safety Action Records (SARs). The Contractor shall update and maintain production related Formal Risk Assessments (FRAs) and SARs, as required.

#### N. Reliability & Maintainability (R&M) Flight Requirements

1. Final acceptance of the MV-22 and CV-22 aircraft shall be in accordance with the latest Government-approved V-22 Acceptance Test Procedures (ATP), Report No. [REDACTED] and shall include the successful execution of approximately [REDACTED] of R&M flights as detailed below, and shall be evidenced by Government execution of a Material Inspection and Receiving Report, DD Form 250.

2. The following outlines the requirements for R&M flights:

a. At the time the Contractor has successfully completed the ATP flights and prior to transferring the aircraft to the Government for Government ATP flights, the Contractor shall conduct no more than [REDACTED] of flight that represent operational missions.

b. At the time the Government has successfully completed Government ATP flights and prior to aircraft acceptance via DD Form 250, the Government shall conduct approximately [REDACTED] of failure-free flight, that represent operational missions.

3. Until otherwise directed by the PCO, the R&M flights shall continue through the delivery of the V-22 aircraft under this contract. The Contractor shall continue to maintain metrics for use by the PCO to assess the value of continuing the R&M flights through completion of this contract.

#### O. Aircraft Finish Specification

1. The Contractor shall maintain an aircraft finish specification [REDACTED] and shall submit revisions for Government approval in accordance with CDRL A00N.

P. Miscellaneous reports: The Contractor shall prepare and submit requests and reports related to material in accordance with CDRL A006.

Items 0002, 0102, 0202, 0302, 0402 – The technical, administrative, financial, and other data called for in support of this contract shall be in accordance with Exhibits A and B.

Item 0101 – The Contractor shall procure or fabricate, as required, the long lead-time items listed on the Long Lead-Time Items Parts List, Attachment (10), necessary to meet the Lot 18 MV-22 aircraft delivery schedule identified in Section F. Additionally, the Contractor is authorized to procure those long lead-time items resulting from Government approved configuration changes (i.e., ECPs) which are necessary to meet the aircraft delivery schedule identified in Section F.

Item 0106 – The Contractor shall procure or fabricate, as required, the long lead-time items listed on the Long Lead-Time Items Parts List, Attachment (10), necessary to meet the Lot 18 CV-22 aircraft delivery schedule identified in Section F. Additionally, the Contractor is authorized to procure those long lead-time items resulting from

Government approved configuration changes (i.e., ECPs) which are necessary to meet the aircraft delivery schedule identified in Section F.

#### SECTION D - PACKAGING AND MARKING

The following have been modified:

##### SECTION D

Items 0001, 0004, 0101, 0201, 0301, 0401, and Option Item 0003 – The uninstalled MV Mission Kits identified in Section C shall be preserved, packaged, and marked in accordance with the prevailing commercial practices to ensure safe delivery at the final destination.

Items 0002, 0102, 0202, 0302, and 0402 – The data to be furnished hereunder shall be packaged and marked in accordance with the best commercial practices and the applicable Contract Data Requirements List (CDRL), DD Form 1423 (Exhibits A & B).

Items 0006, 0106, and Option Item 0107 - The uninstalled CV Mission Kits identified in Section C shall be preserved, packaged, and marked in accordance with the prevailing commercial practices to ensure safe delivery at the final destination.

Items 0005 and 0103 through 0105 - Reserved

#### SECTION E - INSPECTION AND ACCEPTANCE

The following Acceptance/Inspection Schedule was added for SUBCLIN 000401:

INSPECT AT	INSPECT BY	ACCEPT AT	ACCEPT BY
N/A	N/A	N/A	Government

The following have been modified:

##### SECTION E

Items 0001, 0004, 0006, 0101, 0106, 0201, 0301, 0401, and Option Items 0003 and 0107 – Inspection and final acceptance of the MV-22 and CV-22 aircraft to be furnished hereunder, shall be made at the Contractor's plant in Amarillo, TX, or at such location/plants as designated by the PCO and/or ACO of the cognizant representative of the Defense Contract Management Agency (DCMA). Final acceptance of the MV-22 and CV-22 aircraft, including the uninstalled mission kits identified in Section C, shall be in accordance with the Government approved V-22 Acceptance Test Procedure for production lots, Report No. [REDACTED] and shall be evidenced by Government execution of a Material Inspection and Receiving Report, DD Form 250. Inspection and acceptance of the uninstalled MV-22 and CV-22 Mission Kits identified in Section C shall be made at the Contractor's plants in Fort Worth, TX; Ridley Park, PA; and at Amarillo, TX or at such locations/plants as designated by the ACO of the cognizant representative of the DCMA and shall be evidenced by Government execution of a Material Inspection and Receiving Report, DD Form 250.

Items 0002, 0102, 0202, 0302, and 0402 – Inspection and acceptance of each item of data called for hereunder shall be in accordance with the applicable Contract Data Requirements List, DD Form 1423.

Items 0005 and 0103 through 0105 - Reserved

**SECTION F - DELIVERIES OR PERFORMANCE**

The following Delivery Schedule item has been added to CLIN 0004:

DELIVERY DATE	QUANTITY	SHIP TO ADDRESS	UIC
██████████	1	BELL BOEING JOINT PROJECT OFFICE ██████████ 401 TILTROTOR DRIVE, PLANT A AMARILLO TX 79111-1200 FOB: Origin	3B1R2

The following have been modified:

**SECTION F**

Items 0001, 0004, 0101, 0201, 0301, and 0401 – The MV-22 aircraft to be furnished hereunder shall be delivered to the Government in accordance with the following schedule. Early delivery is acceptable.

Item	CY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
0001	2014	██████████												17
	2015	██████████												
0004	2016	██████████												1
		██████████												
0101	2015	██████████												19
	2016	██████████												
0201	2016	██████████												19
	2017	██████████												
0301	2017	██████████												19
	2018	██████████												
0401	2018	██████████												18
	2019	██████████												

Option Item 0003 – The delivery schedule will be established by mutual agreement of the parties if the option is exercised.

F.O.B. Origin – The supplies called for hereunder shall be delivered F.O.B. carrier’s equipment, wharf, or freight station (as specified by the Government) at a city or shipping point at or near the Contractor’s plant at Amarillo, TX or at such locations/plants as designated by the PCO/ACO. Shipments shall be made on Government bills of lading unless otherwise directed by the cognizant DCMA. The method of shipment will be specified by the cognizant contract administration office when the supplies are ready for shipment. Shipments shall be made in carload or truckload lots when the quantity to be delivered to any one destination (or to one or more points directly en route between the Contractor’s shipping point and the last destination) in any delivery period set forth herein is sufficient to constitute a carload or truckload lot unless otherwise directed in writing by the cognizant DCMA. Final destination(s) for the supplies will be designated in consignment instructions issued prior to the time of delivery of the supplies. Consignment instructions for the supplies will be requested by the cognizant DCMA from the Commander, Naval Air Systems Command, 47123 Buse Road, Unit IPT, Patuxent River, MD 20670-1547, at least thirty (30) days before the anticipated time of delivery of the supplies.

Items 0001, 0004, 0101, 0201, 0301, 0401, and Option Item 0003 – F.O.B. Origin: The uninstalled MV-22 aircraft mission kits identified in Section C, to be furnished hereunder, shall be delivered to the below shipping destination prior to or concurrent with delivery of each aircraft via a Material Inspection and Receiving Report, DD Form 250.

Ship to Addresses:

For the Marine Corps, if the aircraft are being delivered to MCAS New River, NC:

V-22 Class Desk  
 MAL-26 Supply Building AS-541  
 MCAS New River  
 Jacksonville, NC 28545-1001  
 Phone 901-449-7237

If the aircraft is being delivered to MCAS Miramar, CA:

Marine Aviation Logistics Squadron 16  
 Supply Building K7209  
 MCAS Miramar, CA 92145

RMWS Mission Kits address:

NSWC Crane  
 300 HWY 361  
 Code 4082, Bldg 3218, [REDACTED]  
 Crane, IN 47522  
 Phone: [REDACTED]  
 [REDACTED]

In the event the Contractor does not meet the schedule outlined above, all items not delivered shall be identified as shortages at the time of aircraft acceptance via a Material Inspection and Receiving Report, DD Form 250. An appropriate withhold value will be identified and applied to the aircraft acceptance Material Inspection and Receiving Report, DD Form 250, by the cognizant ACO.

Items 0002, 0102, 0202, 0302, and 0402 – The data called for hereunder shall be delivered in accordance with Exhibits A and B, Contract Data Requirements List, DD Form 1423, and may be delivered in a medium (e.g., printed on paper, digitally on computer network or disk, or CD ROM) which is mutually agreeable to both the Contractor and the Government. The digital data provided by computer network will be considered delivered to the Government when the digital file is successfully opened (with return receipt provided) at the designated Government server.

Item 0005 – RESERVED

Items 0006 and 0106 – The CV aircraft to be furnished hereunder shall be delivered to the Government in accordance with the following schedule. Early delivery is acceptable.

Item	CY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
0006	2014													4
	2015													
0106	2015													3
	2016													

F.O.B. Origin – The supplies called for hereunder shall be delivered F.O.B. carrier's equipment, wharf, or freight station (as specified by the Government) at a city or shipping point at or near the Contractor's plant at Amarillo, TX

or at such locations/plants as designated by the PCO/ACO. Shipments shall be made on Government bills of lading unless otherwise directed by the cognizant DCMA. The method of shipment will be specified by the cognizant DCMA when the supplies are ready for shipment. Shipments shall be made in carload or truckload lots when the quantity to be delivered to any one destination (or to one or more points directly enroute between the Contractor's shipping point and the last destination) in any delivery period set forth herein is sufficient to constitute a carload or truckload lot unless otherwise directed in writing by the cognizant DCMA. Final destination(s) for the supplies will be designated in consignment instructions issued prior to the time of delivery of the supplies. Consignment instructions for the supplies will be requested by the cognizant DCMA from the Commander, Naval Air Systems Command, 47123 Buse Road, Unit IPT, Patuxent River, MD 20670-1547, at least thirty (30) days before the anticipated time of delivery of the supplies.

Option Item 0107 – The delivery schedule will be established by mutual agreement of the parties if the option is exercised.

Items 0006, 0106, and Option Item 0107 – F.O.B. Origin: The uninstalled CV Mission Kits identified in Section C, to be furnished hereunder, shall be delivered to the below shipping destination prior to or concurrent with delivery of each aircraft via a Material Inspection and Receiving Report, DD Form 250.

Ship to Addresses:

For the Air Force, if the aircraft is being delivered to Hurlburt Field AFB:

V-22 Equipment Inventory List Program Manager  
1 SOHMXS/8 AMU  
185 Brims Street  
BLDG 91266  
Hurlburt Field, FL 32544  
DSN: 641-2808 COMM: 850-881-2808

If the aircraft is being delivered to Kirtland AFB:

V-22 Equipment Inventory List Program Manager  
71st AMU 4300 Hangar Rd SE Bldg 1000A  
Kirtland AFB, NM 87117  
DSN 246-0919 Commercial 505-846-0919

If the aircraft are being delivered to Cannon AFB:

V-22 Equipment Inventory List Program Manager  
614 Liberator Ave. BLDG 208  
Cannon AFB, NM 88103

RMWS Mission Kits address:

NSWC Crane  
300 HWY 361  
Code 4082, Bldg 3218, [REDACTED]  
Crane, IN 47522  
Phone: [REDACTED]  
[REDACTED]

In the event the Contractor does not meet the schedule outlined above, all items not delivered shall be identified as shortages at the time of aircraft acceptance via a Material Inspection and Receiving Report, DD Form 250. An



appropriate withhold value will be identified and applied to the aircraft acceptance Material Inspection and Receiving Report, DD Form 250, by the cognizant ACO.

Items 0103 through 0105 – RESERVED

## SECTION G - CONTRACT ADMINISTRATION DATA

Accounting and Appropriation

Summary for the Payment Office

As a result of this modification, the total funded amount for this document was increased by [REDACTED] from [REDACTED] to [REDACTED].

SUBCLIN 000401:

Funding on SUBCLIN 000401 is initiated as follows:

ACRN: [REDACTED]

CIN: [REDACTED]

Acctg Data: [REDACTED]

Increase: [REDACTED]

Total: [REDACTED]

Cost Code: [REDACTED]

The following have been added by full text:

ADMIN OF FAR 52.232-32 PBPS

### **G-01 ADMINISTRATION OF FAR CLAUSE 52.232-32, PERFORMANCE-BASED PAYMENTS**

As required by FAR Clause 52.232-32, Performance-Based Payments (APRIL 2012), the following information is provided concerning the establishment and administration of performance-based payments under this contract.

- a. [REDACTED] to this contract provide the payment events, payment schedule, and success criteria that define performance-based payments (PBPs) under this contract and govern financing payments associated with [REDACTED]
- b. The payment events have been established on a delivery item (e.g., aircraft) basis. Each payment event is defined with:
  1. A unique event identifier (e.g., B1);
  2. A cumulative or severable designation;
  3. The associated success criteria; and
  4. The success criteria's applicable verification process.
- c. In addition to the requirements of paragraphs (l) and (m) of FAR Clause 52.232-32, the form and manner of Contractor requests for payment shall include, at a minimum:
  1. Identification of any event that has been successfully completed for which payment is being requested.

2. A certification stating that an event has been successfully completed, signed by an authorized Official of the Company and concurred to by the Administrative Contracting Officer (ACO) or designated representative. The ACO or designated representative shall review and approve the payment request by signing the request.

3. The original copy of the payment request. The Contractor shall not use the SF 1443, "Contractor's Request for Progress Payment" form, for its PBP requests.

4. A segregation of the amounts to be paid by ACRN. The segregation of the amounts to be paid by ACRN shall be attached to the payment request.

■ [REDACTED]

e. Unless otherwise authorized in writing from the PCO, the Contractor shall submit only one PBP request per month; however, a single monthly request may include more than one successfully completed PBP event.

■ [REDACTED]

g. For each aircraft shown in the [REDACTED] the sum of all the event payments, inclusive of the net amount payable at final aircraft delivery equals the definitized unit price for each aircraft. In addition, the sum of the unit prices for each (all) of the aircraft equals the total definitized CLIN values for [REDACTED]

h. Upon Government inspection and acceptance of each aircraft, the Contractor shall submit an invoice in the form of a DD250 and bill at the unit prices specified in Section B of the contract. The final liquidation amounts are identified in [REDACTED] and shall not be construed as an actual Performance Based Payment event.

#### SECTION H - SPECIAL CONTRACT REQUIREMENTS

The following have been added by full text:

H-14 PBPS

#### **H-14 PERFORMANCE-BASED PAYMENTS**

1. This contract provides financing to the Contractor in the form of performance-based payments. This special contract requirement, together with the Performance-Based Payment Milestone Plan and Payment Schedules, [REDACTED] document the payment events, payment schedules, and success criteria necessary to make payments in accordance with the procedures in FAR 32.10 entitled "Performance-Based Payments," FAR Clause 52.232-32, Performance-Based Payments (APRIL 2012), and G-01, Administration of FAR Clause 52.232-32, Performance-Based Payments of this contract.

2. If a contract action affects price, payment events, payment amounts, or verification/success criteria, or if production-planning sequences are modified significantly, [REDACTED] as applicable, shall be modified by mutual agreement of the parties.

3. If additional hardware or services are incorporated into this contract through modification and the parties agree to the use of performance-based payments for financing of the additional hardware or services, then payment events,

payment amounts, and verification/success criteria for these efforts shall be mutually agreed upon and [REDACTED], as applicable, shall be modified by mutual agreement of the parties.

4. [REDACTED], shall be reviewed on an annual basis in order to ensure that the fair-value-payment amounts for future payment events are maintained. In addition to the conditions found in paragraph (e) of FAR Clause 52.232-32, Performance-Based Payments (APRIL 2012), the PCO may increase, decrease, or suspend payments in the event that such a review discloses substantial evidence of the fact that fair-value-payment amounts for future payment events cannot be maintained.

5. If the Contractor provides financing payments to its subcontractors under this contract, then whenever it provides such financing, the Subcontract terms shall provide that title to property acquired or produced by the Subcontractor shall vest in the Government and not the Contractor. The definition of such property to which the Government takes title shall be the same as in paragraph (f) of FAR Clause 52.232-32, Performance-Based Payments (APRIL 2012).

The following have been modified:

LIM OF GOV LIABILITY MYP

**5252.216-9504 LIMITATION OF GOVERNMENT LIABILITY (NAVAIR) (AUG 1984) (VARIATION)**

1. Performance under this contract is contingent upon the appropriation of funds. Therefore, in performing this contract, the Contractor is not authorized to make expenditures or incur obligations, and the Government shall not be obligated to reimburse the Contractor for expenditures or obligations, in excess of the amounts that the Contracting Officer has specified in Section B as available for contract performance.

Amount available for contract performance [REDACTED]

Fiscal year funding will be provided on or before the funding dates set forth below, unless those dates are extended by mutual agreement of the parties.

<u>Fiscal Year</u>	<u>Funding Date</u>
--------------------	---------------------

[REDACTED]	[REDACTED]
------------	------------

2. If this contract is terminated for the convenience of the Government in part, the Government's obligation under this contract shall not exceed the amount specified in this clause as available for contract performance.

3. In accordance with FAR 17.106-1(h), if this contract is terminated for the convenience of the Government in whole, including requirements subject to cancellation, the Government's obligation under this contract shall not exceed the amount specified in this clause as available for contract performance, plus the cancellation ceiling, which is [REDACTED] for all cancelled program years.

4. Unless otherwise specifically stated in any change order, change orders issued under this contract shall not increase the limitation of Government liability established in this clause.

(e) Reduction or suspension of performance-based payments. The Contracting Officer may reduce or suspend performance-based payments, liquidate performance-based payments by deduction from any payment under the contract, or take a combination of these actions after finding upon substantial evidence any of the following conditions:

(1) The Contractor failed to comply with any material requirement of this contract (which includes paragraphs (h) and (i) of this clause).

(2) Performance of this contract is endangered by the Contractor's --

(i) Failure to make progress; or

(ii) Unsatisfactory financial condition.

(3) The Contractor is delinquent in payment of any subcontractor or supplier under this contract in the ordinary course of business.

(f) Title.

(1) Title to the property described in this paragraph (f) shall vest in the Government. Vestiture shall be immediately upon the date of the first performance-based payment under 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 following 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 (f)(2)(ii) of this clause; 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 Officer's approval, provided that any significant reduction in the value of the property to which the Government has title under this clause is reported in writing to the Contracting Officer.

(5) In order 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 Officer's advance approval of the action and the terms. If approved, the basis for payment (the events or performance criteria) to which the property is related shall be deemed to be not in compliance with the terms of the contract and not payable (if the property is part of or needed for performance), and the Contractor shall refund the related performance-based payments in accordance with paragraph (d) of this clause.

(6) When the Contractor completes all of the obligations under this contract, including liquidation of all performance-based 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.

(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.

(g) 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. If any property is lost (see 45.101), the basis of payment (the events or performance criteria) to which the property is related shall be deemed to be not in compliance with the terms of the contract and not payable (if the property is part of or needed for performance), and the Contractor shall refund the related performance-based payments in accordance with paragraph (d) of this clause.

(h) Records and controls. The Contractor shall maintain records and controls adequate for administration of this clause. The Contractor shall have no entitlement to performance-based payments during any time the Contractor's records or controls are determined by the Contracting Officer to be inadequate for administration of this clause.

(i) Reports and Government access. The Contractor shall promptly furnish reports, certificates, financial statements, and other pertinent information requested by the Contracting Officer for the administration of this clause

and to determine that an event or other criterion prompting a financing payment has been successfully accomplished. The Contractor shall give the Government reasonable opportunity to examine and verify the Contractor's records and to examine and verify the Contractor's performance of this contract for administration of this clause.

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

(1) the Contractor shall, on demand, repay to the Government the amount of unliquidated performance-based payments, and

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

(k) Reservation 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 Government's 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.

(l) Content of Contractor's request for performance-based payment. The Contractor's request for performance-based payment shall contain the following:

(1) The name and address of the Contractor;

(2) The date of the request for performance-based payment;

(3) The contract number and/or other identifier of the contract or order under which the request is made;

(4) Such information and documentation as is required by the contract's description of the basis for payment;

and

(5) A certification by a Contractor official authorized to bind the Contractor, as specified in paragraph (m) of this clause.

(m) Content of Contractor's certification. As required in paragraph (l)(5) of this clause, the Contractor shall make the following certification in each request for performance-based payment:

I certify to the best of my knowledge and belief that --

(1) This request for performance-based payment is true and correct; this request (and attachments) has been prepared from the books and records of the Contractor, in accordance with the contract and the instructions of the Contracting Officer;

(2) (Except as reported in writing on \_\_\_\_\_), all payments to subcontractors and suppliers under this contract have been paid, or will be paid, currently, when due in the ordinary course of business;

(3) There are no encumbrances (except as reported in writing on \_\_\_\_\_) against the property acquired or produced for, and allocated or properly chargeable to, the contract which would affect or impair the Government's title;

(4) There has been no materially adverse change in the financial condition of the Contractor since the submission by the Contractor to the Government of the most recent written information dated \_\_\_\_\_; and

(5) After the making of this requested performance-based payment, the amount of all payments for each deliverable item for which performance-based payments have been requested will not exceed any limitation in the contract, and the amount of all payments under the contract will not exceed any limitation in the contract.

The following have been deleted:

SECTION J - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

The following have been modified:

SECTION J

Section J - List of Documents, Exhibits and Other Attachments

LIST OF ATTACHMENTS

- Exhibits A&B (Item 0002, 0102, 0202, 0302, and 0402) Contract Data Requirements List, DD Form 1423 (Updated in MYPII Defin Mod P00005)
- Exhibit C RESERVED
- Exhibit D RESERVED
- Attachment 1(a) [REDACTED]
- Attachment 1(b) [REDACTED]
- Attachment 1(c) [REDACTED]
- Attachment 1(d) [REDACTED]
- Attachment 1(e) [REDACTED]
- Attachment 1(f) [REDACTED]
- Attachment 2 [REDACTED] (By reference)
- Attachment 3 Engineering Change Proposal Baseline Changes [REDACTED] (Updated in MYPII Defin Mod P00005)
- Attachment 4(a) Government Furnished Equipment Detail List, [REDACTED] (Incorporated in MYPII Defin Mod P00005)
- Attachment 4(b) MV-22 and CV-22 Government Furnished Equipment List [REDACTED] (Updated in MYPII Defin Mod P00005)
- Attachment 5(a) DD Form 254, Department of Defense Contractor Security Classification Specification – Bell [REDACTED]
- Attachment 5(b) DD Form 254, Department of Defense Contractor Security Classification Specification – Boeing [REDACTED]
- Attachment 6 [REDACTED]

- Attachment 7 [REDACTED] dated 19 December 2012
- Attachment 8 [REDACTED] dated 11 April 2013 (Updated in MYPII Defin Mod P00005)
- Attachment 9(a) Contractor Cost and Software Data Reporting Plan (CSDR) Plan - Bell dated 10 December 2012
- Attachment 9(b) CSDR Plan – Boeing 10 December 2012
- Attachment 9(c) CSDR Plan – Bell Boeing dated 10 December 2012
- Attachment 10 Long Lead-Time Items Parts List dated 21 December 2011
- Attachment 11 Economic Ordering Quantity Components, Materials, and Parts List, dated 15 May 2013 (Incorporated in MYPII Defin Mod P00005)
- Attachment 12 UID Parts Marking List dated 13 December 2012
- Attachment 13 Small Business Subcontracting Plan, JPO-9055-13V dated 31 January 2013 (Incorporated in MYPII Defin Mod P00005)
- Attachment 14 Distribution Statements
- Attachment 15 Critical Safety Items (Rev A)
- Attachment 16 Supplies to be Afforded Duty Free Entry Bell Boeing dated 11 December 2012
- Attachment 17(a) Bell Boeing Identification and Assertion of Restrictions on the Government’s Use, Release, or Disclosure of Technical Data made under DFARS 252.227-7013, “Rights in Technical Data – Noncommercial Items” (Enclosures (1) and (4) of Bell Boeing Letter JPO-9253-13V, dated 30 May 2013, is incorporated by reference) (Incorporated in MYPII Defin Mod P00005)
- Attachment 17(b) Bell Boeing Identification and Assertion of Restrictions on the Government’s Use, Release, or Disclosure of Computer Software made under DFARS 252.227-7014, “Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation” (Enclosure (3) of Bell Boeing Letter JPO-9253-13V, dated 30 May 2013, is incorporated by reference) (Incorporated in MYPII Defin Mod P00005)
- Attachment 18 [REDACTED]  
[REDACTED] dated 20 December 2012

(End of Summary of Changes)