

|                       |   |             |              |
|-----------------------|---|-------------|--------------|
| <b>AWARD/CONTRACT</b> | 1. This Contract Is A Rated Order Under DPAS (15 CFR 700) | Rating DOA5 | Page 1 Of 11 |
|-----------------------|---|-------------|--------------|

|   |                                |   |
|---|--------------------------------|---|
| 2. Contract (Proc. Inst. Ident) No.<br>DAAE20-99-C-0120 | 3. Effective Date<br>1999NOV16 | 4. Requisition/Purchase Request/Project No.<br>SEE SCHEDULE |
|---|--------------------------------|---|

|   |                |  |                |
|---|----------------|--|----------------|
| 5. Issued By<br>TACOM-ROCK ISLAND<br>AMSTA-LC-CSC-B<br>PEGGY FRAZIER (309) 782-4179<br>ROCK ISLAND IL 61299-7630<br><br>e-mail address: FRAZIERP@RIA.ARMY.MIL | Code<br>W52H09 | 6. Administered By (If Other Than Item 5)<br>DCMC TWIN CITIES<br>3001 METRO DRIVE<br>BLOOMINGTON MN 55425-1573<br><br>SCD B PAS NONE ADP PT HQ0339 | Code<br>S2401A |
|---|----------------|--|----------------|

|  |   |
|--|---|
| 7. Name And Address Of Contractor (No. Street, City, County, State, And Zip Code)<br>HONEYWELL INC<br>AVIONICS DIV/MILITARY SALES<br>2600 RIDGWAY PARKWAY<br>MINNEAPOLIS MN 55413-1719<br><br>TYPE BUSINESS: Large Business Performing in U.S.<br><br>Code 94580 Facility Code | 8. Delivery<br><input checked="" type="checkbox"/> FOB Origin <input type="checkbox"/> Other (See Below)<br>9. Discount For Prompt Payment<br><br>10. Submit Invoices (4 Copies Unless Otherwise Specified)<br>To The Address Shown In: Item 12 |
|--|---|

|  |  |
|--|--|
| 11. Ship To/Mark For<br>SEE SCHEDULE<br>Code | 12. Payment Will Be Made By<br>DFAS COLUMBUS CENTER<br>WEST ENTITLEMENT OPERATIONS<br>PO BOX 182381<br>COLUMBUS OH 43218-2381<br>Code HQ0339 |
|--|--|

|  |  |
|--|--|
| 13. Authority For Using Other Than Full And Open Competition:<br><input checked="" type="checkbox"/> 10 U.S.C. 2304(c)(1) ) <input type="checkbox"/> 41 U.S.C. 253(c)( ) | 14. Accounting And Appropriation Data<br>ACRN: AA 97 X4930AC6G 6D 26FB S11116 W52H09 |
|--|--|

|   |  |               |           |                 |             |
|---|--|---------------|-----------|-----------------|-------------|
| 15A. Item No.<br>SEE SCHEDULE               | 15B. Schedule Of Supplies/Services<br>CONTRACT TYPE:<br>Firm-Fixed-Price | 15C. Quantity | 15D. Unit | 15E. Unit Price | 15F. Amount |
| 15G. Total Amount Of Contract  \$335,528.00 |  |               |           |                 |             |

| 16. Table Of Contents |         |                                       |         |   |   |                     |         |
|-----------------------|---------|---------------------------------------|---------|---|---|---------------------|---------|
| (X)                   | Section | Description                           | Page(s) | (X)   | Section   | Description         | Page(s) |
| Part I - The Schedule |         |                                       |         | Part II - Contract Clauses                                    |   |                     |         |
| X                     | A       | Solicitation/Contract Form            | 1       | X   | I   | Contract Clauses    | 6       |
| X                     | B       | Supplies or Services and Prices/Costs | 3       | Part III - List Of Documents, Exhibits, And Other Attachments |   |                     |         |
|                       | C       | Description/Specs./Work Statement     |         | X   | J   | List of Attachments | 11      |
|                       | D       | Packaging and Marking                 |         | Part IV - Representations And Instructions                    |   |                     |         |
|                       | E       | Inspection and Acceptance             |         | K   | Representations, Certifications, and Other Statements of Offerors |                     |         |
|                       | F       | Deliveries or Performance             |         | L   | Instrs., Conds., and Notices to Offerors                          |                     |         |
| X                     | G       | Contract Administration Data          | 5       | M   | Evaluation Factors for Award                                      |                     |         |
|                       | H       | Special Contract Requirements         |         |   |   |                     |         |

**Contracting Officer Will Complete Item 17 Or 18 As Applicable**

|  |   |
|--|---|
| 17. <input checked="" type="checkbox"/> Contractor s Negotiated Agreement (Contractor is required to sign this document and return 2 signed copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.) | 18. <input type="checkbox"/> Award (Contractor is not required to sign this document.) Your offer on Solicitation Number _____ including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government s solicitation and your offer, and (b) this award/contract. No further contractual document is necessary. |
|--|---|

|   |   |
|---|---|
| 19A. Name And Title Of Signer (Type Or Print)                                       | 20A. Name Of Contracting Officer<br>JERRY YOWELL<br>YOWELLJ@RIA.ARMY.MIL (309) 782-6736 |
| 19B. Name of Contractor<br><br>By _____<br>(Signature of person authorized to sign) | 19c. Date Signed  |
| 20B. United States Of America<br><br>By _____<br>(Signature of Contracting Officer) | 20C. Date Signed  |

**CONTINUATION SHEET****Reference No. of Document Being Continued**

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PIIN/SIIN DAAE20-99-C-0120

MOD/AMD

**Name of Offeror or Contractor:** HONEYWELL INCSECTION A - SUPPLEMENTAL INFORMATION  
THE PURPOSE OF THIS CONTRACT IS TO:

1. FORMALIZE AN UNDEFINITIZED CONTRACTUAL ACTION (UCA) WHICH WAS AWARDED AS A LETTER CONTRACT ON 22 SEP 99 WHICH IS INCORPORATED AS ATTACHMENT 001.
2. THE DEFINITIZED CONTRACT WILL BE A FIRM FIXED PRICE SUPPLY CONTRACT FOR THE PRODUCTION OF A BASIC QUANTITY OF 1,000 EA LASER VISORS FOR THE AH-64 APACHE INTEGRATED HELMET AND DISPLAY SIGHTING SYSTEM (IHADSS). THE DEFINITIZED CONTRACT WILL ALSO INCLUDE AN OPTION PROVISION FOR UP TO 2,000 ADDITIONAL LASER VISORS.
3. THE TOTAL CEILING PRICE OF THE LETTER AWARD IS \$447,370.00. IN ACCORDANCE WITH DFARS 217.7404-4, "LIMITATIONS ON OBLIGATIONS", THE TOTAL AMOUNT OBLIGATED AT THIS TIME IS 75% OF THE \$447,370.00 OR \$335,538.00.
4. THE CEILING PRICE STATED ABOVE IS SUBJECT TO DOWNWARD NEGOTIATION ONLY. AT THIS TIME, THE GOVERNMENT'S MAXIMUM LIABILITY FOR THE PRODUCTION OF LASER VISORS IS \$335,538.00, THE CURRENT OBLIGATED AMOUNT. UPON DEFINITIZATION, THIS CONTRACT WILL BE FUNDED TO THE ACTUAL AMOUNT NEGOTIATED NOT TO EXCEED THE CEILING PRICE.
5. THE ACTUAL DELIVERY SCHEDULE WILL BE NEGOTIATED AND INCORPORATED INTO THE CONTRACT ON THE DEFINITIZATION MODIFICATION.
6. THE DEFINITIZATION SCHEDULE IS AS FOLLOWS:

|                                 |           |
|---------------------------------|-----------|
| COMPLETION OF NEGOTIATIONS:     | 30 NOV 99 |
| ISSUANCE OF DEFINITIZATION MOD: | 14 JAN 00 |
7. DUE TO THEIR APPLICABILITY TO THIS CEILING PRICED ACTION, FAR CLAUSE 52.216-24, LIMITATION OF GOVERNMENT LIABILITY, CLAUSE IF6056 AND 52.216-25, CONTRACT DEFINITIZATION, CLAUSE IF6062 ARE HEREBY INCORPORATED INTO THIS AWARD DOCUMENT IN FULL TEXT.
8. THE FOLLOWING CLAUSES ARE HEREBY INCORPORATED BY REFERENCE OR IN FULL TEXT:

|                               |   |
|-------------------------------|---|
| DFARS 252.232-7004, (IA0650), | DOD PROGRESS PAYMENT RATES                        |
| FAR 52.217-6, (IF6080),       | EVALUATED OPTION FOR INCREASED QUANTITY           |
| 52.232-16, (IF0082),          | PROGRESS PAYMENTS - ALTERNATE I                   |
| 52.245-2, (IF7113),           | GOVERNMENT PROPERTY (FIXED-PRICE CONTRACTS) ALT.I |
9. HONEYWELL IS AUTHORIZED RENT-FREE USE, ON A NON-INTERFERENCE BASIS, OF THE GOVERNMENT FURNISHED LASER VISOR MOLD FOR THE PERFORMANCE OF THIS CONTRACT. FURTHER, ACCOUNTABILITY OF THE GOVERNMENT OWNED LASER VISOR MOLD IS HEREBY TRANSFERRED FROM DAAE20-97-P-0861 TO THIS CONTRACT, DAAE20-99-C-0120.
10. ALL APPLICABLE CLAUSES AND PROVISIONS OF A FIRM FIXED PRICE SUPPLY CONTRACT ARE HEREBY INCORPORATED.

\*\*\* END OF NARRATIVE A001 \*\*\*

CONTINUATION SHEET

Reference No. of Document Being Continued  
 PIIN/SIIN DAAE20-99-C-0120 MOD/AMD

Name of Offeror or Contractor: HONEYWELL INC

| ITEM NO           | SUPPLIES/SERVICES  | QUANTITY        | UNIT            | UNIT PRICE      | AMOUNT        |                 |              |     |                |        |   |  |   |                   |                 |                 |     |     |             |  |  |  |  |
|-------------------|--|-----------------|-----------------|-----------------|---------------|-----------------|--------------|-----|----------------|--------|---|--|---|-------------------|-----------------|-----------------|-----|-----|-------------|--|--|--|--|
|                   | SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS  |                 |                 |                 |               |                 |              |     |                |        |   |  |   |                   |                 |                 |     |     |             |  |  |  |  |
| 0001              | <u>Supplies or Services and Prices/Costs</u>   |                 |                 |                 |               |                 |              |     |                |        |   |  |   |                   |                 |                 |     |     |             |  |  |  |  |
| 0001AA            | <u>PRODUCTION QUANTITY</u>   | 1000            | AY              | \$ ** N/A **    | \$ 335,528.00 |                 |              |     |                |        |   |  |   |                   |                 |                 |     |     |             |  |  |  |  |
|                   | NSN: 1270-01-327-3107<br>NOUN: LASER VISOR AND SPR<br>FSCM: 94580<br>PART NR: 10077101-103<br>SECURITY CLASS: Unclassified<br>PRON: M191S645M1 PRON AMD: 02 ACRN: AA<br>AMS CD: 070011   |                 |                 |                 |               |                 |              |     |                |        |   |  |   |                   |                 |                 |     |     |             |  |  |  |  |
|                   | <u>Packaging and Marking</u><br>PACKAGING/PACKING/SPECIFICATIONS:<br>COMMERCIAL PACKAGING<br>LEVEL PRESERVATION: Commercial<br>LEVEL PACKING: Commercial   |                 |                 |                 |               |                 |              |     |                |        |   |  |   |                   |                 |                 |     |     |             |  |  |  |  |
|                   | <u>Inspection and Acceptance</u><br>INSPECTION: Origin ACCEPTANCE: Origin  |                 |                 |                 |               |                 |              |     |                |        |   |  |   |                   |                 |                 |     |     |             |  |  |  |  |
|                   | <u>Deliveries or Performance</u><br>DOC SUPPL<br><table border="0"> <tr> <td><u>REL CD</u></td> <td><u>MILSTRIP</u></td> <td><u>ADDR</u></td> <td><u>SIG CD</u></td> <td><u>MARK FOR</u></td> <td><u>TP CD</u></td> </tr> <tr> <td>001</td> <td>W52H099264A611</td> <td>W25G1U</td> <td>J</td> <td></td> <td>2</td> </tr> </table> <table border="0"> <tr> <td><u>DEL REL CD</u></td> <td><u>QUANTITY</u></td> <td><u>DEL DATE</u></td> </tr> <tr> <td>001</td> <td>335</td> <td>30-DEC-2000</td> </tr> </table> | <u>REL CD</u>   | <u>MILSTRIP</u> | <u>ADDR</u>     | <u>SIG CD</u> | <u>MARK FOR</u> | <u>TP CD</u> | 001 | W52H099264A611 | W25G1U | J |  | 2 | <u>DEL REL CD</u> | <u>QUANTITY</u> | <u>DEL DATE</u> | 001 | 335 | 30-DEC-2000 |  |  |  |  |
| <u>REL CD</u>     | <u>MILSTRIP</u>  | <u>ADDR</u>     | <u>SIG CD</u>   | <u>MARK FOR</u> | <u>TP CD</u>  |                 |              |     |                |        |   |  |   |                   |                 |                 |     |     |             |  |  |  |  |
| 001               | W52H099264A611   | W25G1U          | J               |                 | 2             |                 |              |     |                |        |   |  |   |                   |                 |                 |     |     |             |  |  |  |  |
| <u>DEL REL CD</u> | <u>QUANTITY</u>  | <u>DEL DATE</u> |                 |                 |               |                 |              |     |                |        |   |  |   |                   |                 |                 |     |     |             |  |  |  |  |
| 001               | 335  | 30-DEC-2000     |                 |                 |               |                 |              |     |                |        |   |  |   |                   |                 |                 |     |     |             |  |  |  |  |
|                   | FOB POINT: Origin<br><br>SHIP TO: <u>PARCEL POST ADDRESS</u><br>(W25G1U) XU TRANSPORTATION OFFICER<br>DDSP NEW CUMBERLAND FACILITY<br>BUILDING MISSION DOOR 113 134<br>NEW CUMBERLAND PA 17070-5001  |                 |                 |                 |               |                 |              |     |                |        |   |  |   |                   |                 |                 |     |     |             |  |  |  |  |
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| <u>REL CD</u>     | <u>MILSTRIP</u>  | <u>ADDR</u>     | <u>SIG CD</u>   | <u>MARK FOR</u> | <u>TP CD</u>  |                 |              |     |                |        |   |  |   |                   |                 |                 |     |     |             |  |  |  |  |
| 002               | W52H099264A612   | W45G19          | J               |                 | 2             |                 |              |     |                |        |   |  |   |                   |                 |                 |     |     |             |  |  |  |  |
| <u>DEL REL CD</u> | <u>QUANTITY</u>  | <u>DEL DATE</u> |                 |                 |               |                 |              |     |                |        |   |  |   |                   |                 |                 |     |     |             |  |  |  |  |
| 001               | 335  | 30-JAN-2001     |                 |                 |               |                 |              |     |                |        |   |  |   |                   |                 |                 |     |     |             |  |  |  |  |
|                   | FOB POINT: Origin<br><br>SHIP TO: <u>PARCEL POST ADDRESS</u><br>(W45G19) XU TRANS OFC<br>RED RIVER ARMY DEPOT<br>TEXARKANA TX 75507  |                 |                 |                 |               |                 |              |     |                |        |   |  |   |                   |                 |                 |     |     |             |  |  |  |  |
|                   | DOC SUPPL<br><table border="0"> <tr> <td><u>REL CD</u></td> <td><u>MILSTRIP</u></td> <td><u>ADDR</u></td> <td><u>SIG CD</u></td> <td><u>MARK FOR</u></td> <td><u>TP CD</u></td> </tr> <tr> <td>003</td> <td>W52H099264A613</td> <td>W62G2T</td> <td>J</td> <td></td> <td>2</td> </tr> </table> <table border="0"> <tr> <td><u>DEL REL CD</u></td> <td><u>QUANTITY</u></td> <td><u>DEL DATE</u></td> </tr> <tr> <td>001</td> <td>330</td> <td>28-FEB-2001</td> </tr> </table>                                     | <u>REL CD</u>   | <u>MILSTRIP</u> | <u>ADDR</u>     | <u>SIG CD</u> | <u>MARK FOR</u> | <u>TP CD</u> | 003 | W52H099264A613 | W62G2T | J |  | 2 | <u>DEL REL CD</u> | <u>QUANTITY</u> | <u>DEL DATE</u> | 001 | 330 | 28-FEB-2001 |  |  |  |  |
| <u>REL CD</u>     | <u>MILSTRIP</u>  | <u>ADDR</u>     | <u>SIG CD</u>   | <u>MARK FOR</u> | <u>TP CD</u>  |                 |              |     |                |        |   |  |   |                   |                 |                 |     |     |             |  |  |  |  |
| 003               | W52H099264A613   | W62G2T          | J               |                 | 2             |                 |              |     |                |        |   |  |   |                   |                 |                 |     |     |             |  |  |  |  |
| <u>DEL REL CD</u> | <u>QUANTITY</u>  | <u>DEL DATE</u> |                 |                 |               |                 |              |     |                |        |   |  |   |                   |                 |                 |     |     |             |  |  |  |  |
| 001               | 330  | 28-FEB-2001     |                 |                 |               |                 |              |     |                |        |   |  |   |                   |                 |                 |     |     |             |  |  |  |  |

CONTINUATION SHEET

Reference No. of Document Being Continued  
PIIN/SIIN DAAE20-99-C-0120 MOD/AMD

Name of Offeror or Contractor: HONEYWELL INC

| ITEM NO | SUPPLIES/SERVICES  | QUANTITY | UNIT | UNIT PRICE | AMOUNT |
|---------|--|----------|------|------------|--------|
|         | <p>FOB POINT: Origin</p> <p>SHIP TO: <u>PARCEL POST ADDRESS</u><br/>(W62G2T) XU DEFENSE DISTRIBUTION REGION WEST<br/>DISTRIBUTION DEPOT SAN JOAQUIN<br/>TRANS OFC PO BOX 960001<br/>STOCKTON CA 95296-0130</p> |          |      |            |        |

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**PIIN/SIIN** DAAE20-99-C-0120

**MOD/AMD**

**Name of Offeror or Contractor:** HONEYWELL INC

SECTION G - CONTRACT ADMINISTRATION DATA

| LINE        | PRON/         | OBLG        |             |                                  |              | JOB           |                   |        |                  |    |            |
|-------------|---------------|-------------|-------------|----------------------------------|--------------|---------------|-------------------|--------|------------------|----|------------|
| <u>ITEM</u> | <u>AMS CD</u> | <u>ACRN</u> | <u>STAT</u> | <u>ACCOUNTING CLASSIFICATION</u> |              | <u>ORDER</u>  | <u>ACCOUNTING</u> |        | <u>OBLIGATED</u> |    |            |
|             |               |             |             |                                  |              | <u>NUMBER</u> | <u>STATION</u>    |        | <u>AMOUNT</u>    |    |            |
| 0001AA      | M191S645M1    | AA          | 2           | 97                               | X4930AC6G 6D | 26FB          | S11116            | 775312 | W52H09           | \$ | 335,528.00 |
|             | 070011        |             |             |                                  |              |               |                   |        |                  |    |            |
|             |               |             |             |                                  |              |               |                   |        | TOTAL            | \$ | 335,528.00 |

| <u>SERVICE</u> | <u>TOTAL BY ACRN</u> | <u>ACCOUNTING CLASSIFICATION</u> |              |      |        | <u>ACCOUNTING</u> | <u>OBLIGATED</u> |
|----------------|----------------------|----------------------------------|--------------|------|--------|-------------------|------------------|
| <u>NAME</u>    |                      |                                  |              |      |        | <u>STATION</u>    | <u>AMOUNT</u>    |
| Army           | AA                   | 97                               | X4930AC6G 6D | 26FB | S11116 | W52H09            | \$ 335,528.00    |
|                |                      |                                  |              |      |        | TOTAL             | \$ 335,528.00    |

**CONTINUATION SHEET****Reference No. of Document Being Continued**

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MOD/AMD

**Name of Offeror or Contractor:** HONEYWELL INC

## SECTION I - CONTRACT CLAUSES

|     | <u>Regulatory Cite</u> | <u>Title</u>                    | <u>Date</u> |
|-----|------------------------|---------------------------------|-------------|
| I-1 | 52.232-16              | PROGRESS PAYMENTS - ALTERNATE I | AUG/1987    |
| I-2 | 252.232-7004<br>DFARS  | DOD PROGRESS PAYMENT RATES      | FEB/1996    |

I-3 52.216-24 LIMITATION OF GOVERNMENT LIABILITY APR/1984  
(a) In performing this contract, the Contractor is not authorized to make expenditures or incur obligations exceeding \$335,528.00 dollars.

(b) The maximum amount for which the Government shall be liable if this contract is terminated is \$335,523.00 dollars.

(End of clause)

(IF6056)

I-4 52.216-25 CONTRACT DEFINITIZATION OCT/1995  
(a) A FIRM FIXED PRICE definitive contract is contemplated. The Contractor agrees to begin promptly negotiating with the Contracting Officer the terms of a definitive contract that will include (1) all clauses required by the Federal Acquisition Regulation (FAR) on the date of execution of the letter contract, (2) all clauses required by law on the date of execution of the definitive contract, and (3) any other mutually agreeable clauses, terms, and conditions. The Contractor agrees to submit a (THIS ACTION COMPLETED, FIXED PRICE PROPOSAL RECEIVED, DATED 16 SEP 99) proposal and cost or pricing data supporting its proposal.

(b) The schedule for definitizing this contract is:

|   |           |
|---|-----------|
| RECEIPT OF CONTRACTOR'S FIRM FIXED PRICE PROPOSAL | 16 SEP 99 |
| COMPLETION OF NEGOTIATIONS                        | 30 NOV 99 |
| DEFINITIZATION MODIFICATION                       | 14 JAN 99 |

(c) If agreement on a definitive contract to supersede this letter is not reached by the target date in paragraph (b) above, or within any extension of it granted by the Contracting Officer, the Contracting Officer may, with the approval of the head of the contracting activity, determine a reasonable price or fee in accordance with Subpart 15.8 and Part 31 of the FAR, subject to Contractor appeal as provided in the Disputes clause. In any event, the Contractor shall proceed with completion of the contract, subject only to the Limitation of Government Liability clause.

(1) After the Contracting Officer's determination of price or fee, the contract shall be governed by -

(i) All clauses required by the FAR on the date of execution of this letter contract for either fixed-price or cost-reimbursement contracts, as determined by the Contracting Officer under this paragraph (c);

(ii) All clauses required by the law as of the date of the Contracting Officer's determination; and

(iii) Any other clauses, terms, and conditions mutually agreed upon.

(2) To the extent consistent with subparagraph (c)(1) above, all clauses, terms, and conditions included in this letter contract shall continue in effect, except those that by their nature apply only to a letter contract.

(End of clause)

(IF6062)

I-5 52.217-6 EVALUATED OPTION FOR INCREASED QUANTITY MAR/1990

a. This solicitation includes an evaluated option (See Section M).

b. The Government reserves the right to increase the quantity of item(s) 0001AA by a quantity up to and including but not exceeding A TOTAL CONTRACT QUANTITY OF 3000 EACH, as an evaluated option at the price(s) quoted below.

c. If the Contractor does not quote a price hereunder, the lowest price offered/bid in the Schedule for item(s) (SEE BELOW) shall be the price used for evaluation/award of any option quantities. All evaluation factors identified in the solicitation,

**Name of Offeror or Contractor:** HONEYWELL INC

except F.O.B. origin transportation costs, will be applied to the option quantity for evaluation purposes.

d. The Contracting Officer may exercise the evaluated option at any time preceding (TO BE NEGOTIATED) by giving written notice to the Contractor.

e. Delivery of the items added by exercise of this option shall continue immediately after, and at the same rate as delivery of like items called for under the contract, unless the parties agree otherwise.

f. Subject to the limitations contained in this clause, the Government may exercise this option on one or more occasions.

g. Offered Unit Prices for the Option Quantities are:

|                                     | <u>Unit Price</u> |                         |
|-------------------------------------|-------------------|-------------------------|
| Evaluated Option<br>(F.O.B. ORIGIN) | \$ _____          | CLIN (TO BE NEGOTIATED) |
|                                     | \$ _____          | CLIN (TO BE NEGOTIATED) |

Varying prices may be offered for the option quantities actually ordered and the dates when ordered. In as much as the unit price for the basic quantity may contain starting, load, testing, tooling, transportation or other costs not applicable to option quantities, offerors are requested to take these factors into consideration while setting forth the unit price(s) for the option quantities. The option price is expected (but not required) to be lower than the unit price for the initial quantity.

(End of Clause)

(IP6080)

I-6                      52.245-2                      GOVERNMENT PROPERTY (FIXED-PRICE CONTRACTS) - ALTERNATE I (91-DEV-                      APR/1984  
44)(AL 93-10)

a. Government-furnished property. (1) The Government shall deliver to the Contractor, for use in connection with and under the terms of this contract, the Government-furnished property described in the Schedule or specifications together with any related data and information that the Contractor may request and is reasonably required for the intended use of the property (hereinafter referred to as "Government-furnished property").

(2) The delivery or performance dates for this contract are based upon the expectation that Government-furnished property suitable for use (except for property furnished "as is" will be delivered to the Contractor at the times stated in the Schedule or, if not so stated, in sufficient time to enable the Contractor to meet the contract's delivery or performance dates.

(3) If Government-furnished property is received by the Contractor in a condition not suitable for the intended use, the Contractor shall, upon receipt of it, notify the Contracting Officer, detailing the facts, and, as directed by the Contracting Officer and at Government expense, either repair, modify, return, or otherwise dispose of the property. After completing the directed action and upon written request of the Contractor, the Contracting Officer shall make an equitable adjustment as provided in paragraph (h) of this clause.

(4) If Government-furnished property is not delivered to the Contractor by the required time, the Contracting Officer shall, upon the Contractor's timely written request, make a determination of the delay, if any, caused the Contractor and shall make an equitable adjustment in accordance with paragraph (h) of this clause.

b. Changes in Government-furnished property. (1) The Contracting Officer may, by written notice, (i) decrease the Government-furnished property provided or to be provided under this contract, or (ii) substitute other Government-furnished property for the property to be provided by the Government, or to be acquired by the Contractor for the Government, under this contract. The Contractor shall promptly take such action as the Contracting Officer may direct regarding the removal, shipment, or disposal of the property covered by such notice.

(2) Upon the Contractor's written request, the Contracting Officer shall make an equitable adjustment to the contract in accordance with paragraph (h) of this clause, if the Government has agreed in the Schedule to make the property available for performing this contract and there is any-

(i) Decrease or substitution in this property pursuant to subparagraph (b)(1) above; or

(ii) Withdrawal of authority to use this property, if provided under any other contract or lease.

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c. Title in Government property. (1) The Government shall retain title to all Government-furnished property.

(2) All Government-furnished property and all property acquired by the Contractor, title to which vests in the Government under this paragraph (collectively referred to as "Government property"), are subject to the provisions of this clause. Title to Government property shall not be affected by its incorporation into or attachment to any property not owned by the Government, nor shall Government property become a fixture or lose its identity as personal property by being attached to any real property.

(3) Title to each item of facilities and special test equipment acquired by the Contractor for the Government under this contract shall pass to and vest in the Government when its use in performing this contract commences or when the Government has paid for it, whichever is earlier, whether or not title previously vested in the Government.

(4) If this contract contains a provision directing the Contractor to purchase material for which the Government will reimburse the Contractor as a direct item of cost under this contract -

(i) Title to material purchased from a vendor shall pass to and vest in the Government upon the vendor's delivery of such material; and

(ii) Title to all other material shall pass to and vest in the Government upon -

(A) Issuance of the material for use in contract performance;

(B) Commencement of processing of the material or its use in contract performance; or

(C) Reimbursement of the cost of the material by the Government, whichever occurs first.

d. Use of Government property. The Government property shall be used only for performing this contract, unless otherwise provided in this contract or approved by the Contracting Officer.

e. Property administration. (1) The Contractor shall be responsible and accountable for all Government property provided under this contract and shall comply with Federal Acquisition Regulation (FAR) Subpart 45.5, as in effect on the date of this contract.

(2) The Contractor shall establish and maintain a program for the use, maintenance, repair, protection, and preservation of Government property in accordance with sound industrial practice and the applicable provisions of Subpart 45.5 of the FAR.

(3) If damage occurs to Government property, the risk of which has been assumed by the Government under this contract, the Government shall replace the items or the Contractor shall make such repairs as the Government directs. However, if the Contractor cannot effect such repairs within the time required, the Contractor shall dispose of the property as directed by the Contracting Officer. When any property for which the Government is responsible is replaced or repaired, the Contracting Officer shall make an equitable adjustment in accordance with paragraph (h) of this clause.

(4) The Contractor represents that the contract price does not include any amount for repairs or replacement for which the Government is responsible. Repair or replacement of property for which the Contractor is responsible shall be accomplished by the Contractor at its own expense.

f. Access. The Government and all its designees shall have access at all reasonable times to the premises in which any Government property is located for the purpose of inspecting the Government property.

g. Limited risk of loss. (1) The term "Contractor's managerial personnel," as used in this paragraph (g) means the Contractor's managers, superintendents, or equivalent representatives who have supervision or direction of-

(i) All or substantially all of the Contractor's business;

(ii) All or substantially all of the Contractor's operation at any one plant or separate location at which the contract is being performed; or

(iii) A separate and complete major industrial operation connected with performing this contract.

(2) The Contractor shall not be liable for loss or destruction of, or damage to, the Government property provided under this contract (or, if an educational or nonprofit organization, for expenses incidental to such loss, destruction, or damage), except as provided in subparagraphs (3) and (4) below.

(3) The Contractor shall be responsible for loss or destruction of, damage to, the Government property provided under this contract (including expenses incidental to such loss, destruction, or damage)-

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(i) That results from a risk expressly required to be insured under this contract, but only to the extent of the insurance required to be purchased and maintained, or to the extent of insurance actually purchased and maintained, whichever is greater;

(ii) That results from a risk that is in fact covered by insurance or for which the Contractor is otherwise reimbursed, but only to the extent of such insurance or reimbursement;

(iii) For which the Contractor is otherwise responsible under the express terms of this contract;

(iv) That results from willful misconduct or lack of good faith on the part of the Contractor's managerial personnel; or

(v) That results from a failure on the part of the Contractor, due to willful misconduct or lack of good faith on the part of the Contractor's managerial personnel, to establish and administer a program or system for the control, use, protection, preservation, maintenance, and repair of Government property as required by paragraph (e) of this clause.

(4)(i) If the Contractor fails to act as provided in subdivision (g)(3)(v) above, after being notified (by certified mail addressed to one of the Contractor's managerial personnel) of the Government's disapproval, withdrawal of approval, or nonacceptance of the system or program, it shall be conclusively presumed that such failure was due to willful misconduct or lack of good faith on the part of the Contractor's managerial personnel.

(ii) In such event, any loss or destruction of, or damage to, the Government property shall be presumed to have resulted from such failure unless the Contractor can establish by clear and convincing evidence that such loss, destruction, or damage -

(A) Did not result from the Contractor's failure to maintain an approved program or system; or

(B) Occurred while an approved program or system was maintained by the Contractor.

(5) If the Contractor transfers Government property to the possession and control of a subcontractor, the transfer shall not affect the liability of the Contractor or loss or destruction of, or damage to, the property as set forth above. However, the Contractor shall require the subcontractor to assume the risk of and be responsible for, any loss or destruction of, or damage to, the property while in the subcontractor's possession or control, except to the extent that the subcontract, with the advance approval of the Contracting Officer, relieves the subcontractor from such liability. In the absence of such approval, the subcontract shall contain appropriate provisions requiring the return of all Government property in as good condition as when received, except for reasonable wear and tear or for its use in accordance with the provisions of the prime contract.

(6) The contractor shall notify the contracting officer upon loss or destruction of, or damage to, Government property provided under this contract, with the exception of low-value property for which loss, damage, or destruction is reported at contract termination, completion, or when needed for continued contract performance. The Contractor shall take all reasonable action to protect the Government property from further damage, separate the damaged and undamaged Government property, put all the affected Government property in the best possible order, and furnish to the Contracting Officer a statement of-

(i) The lost, destroyed, or damaged Government property;

(ii) The time and origin of the loss, destruction or damage;

(iii) All known interests in commingled property of which the Government property is a part; and

(iv) The insurance, if any, covering any part of or interest in such commingled property.

(7) The Contractor shall repair, renovate, and take such other action with respect to damaged Government property as the Contracting Officer directs. If the Government property is destroyed or damaged beyond practical repair, or is damaged and so commingled or combined with property of others (including the Contractor's) that separation is impractical, the Contractor may, with the approval of and subject to any conditions imposed by the Contracting Officer, sell such property for the account of the Government. Such sales may be made in order to minimize the loss to the Government, to permit the resumption of business, or to accomplish a similar purpose. The Contractor shall be entitled to an equitable adjustment in the contract price for the expenditures made in performing the obligations under this subparagraph (g)(7) in accordance with paragraph (h) of this clause. However, the Government may directly reimburse the loss and salvage organization for any of their charges. The Contracting Officer shall give due regard to the Contractor's liability under this paragraph (g) when making such equitable adjustment.

(8) The Contractor represents that it is not including in the price and agrees it will not hereafter include in any price to the Government any charge or reserve for insurance (including any self-insurance fund or reserve) covering loss or destruction of, or damage to, Government property, except to the extent that the Government may have expressly required the Contractor to carry such insurance under another provision of this contract.

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(9) In the event the Contractor is reimbursed or otherwise compensated for any loss or destruction of, or damage to, Government property, the Contractor shall use the proceeds to repair, renovate, or replace the lost, destroyed or damaged Government property, or shall otherwise credit the proceeds to equitably reimburse the Government, as directed by the Contracting Officer.

(10) The Contractor shall do nothing to prejudice the Government's rights to recover against third parties for any loss or destruction of, or damage to, Government property. Upon the request of the Contracting Officer, the Contractor shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including the prosecution of suit and the execution of instruments of assignment in favor of the Government) in obtaining recovery. In addition, where a subcontractor has not been relieved from liability for any loss or destruction of, or damage to, Government property, the Contractor shall enforce for the benefit of the Government liability of the subcontractor for such loss, destruction, or damage.

h. Equitable adjustment. When this clause specifies an equitable adjustment, it shall be made to any affected contract provision in accordance with the procedures of the Change clause. When appropriate, the Contracting Officer may initiate an equitable adjustment in favor of the Government. The right to an equitable adjustment shall be the Contractor's exclusive remedy. The Government shall not be liable to suit for breach of contract for -

- (1) Any delay in delivery of Government-furnished property;
- (2) Delivery of Government-furnished property in a condition not suitable for its intended use;
- (3) A decrease in or substitution of Government-furnished property; or
- (4) Failure to repair or replace Government property for which the Government is responsible.

i. Final accounting and disposition of Government property. Upon completing this contract, or at such earlier dates as may be fixed by the Contracting Officer, the Contractor shall submit, in a form acceptable to the Contracting Officer, inventory schedules covering all items of Government property (including any resulting scrap) not consumed in performing this contract or delivered to the Government. The Contractor shall prepare for shipment, deliver f.o.b. origin, or dispose of the Government property as may be directed or authorized by the Contracting Officer. The net proceeds of any such disposal shall be credited to the contract price or shall be paid to the Government as the Contracting Officer directs.

j. Abandonment and restoration of Contractor's premises. Unless otherwise provided herein, the Government -

(1) May abandon any Government property in place, at which time all obligations of the Government regarding such abandoned property shall cease; and

(2) Has no obligation to restore or rehabilitate the Contractor's premises under any circumstances (e.g., abandonment, disposition upon completion of need, or upon contract completion). However, if the Government-furnished property (listed in the Schedule or specifications) is withdrawn or is unsuitable for the intended use, or if other Government property is substituted, then the equitable adjustment under paragraph (h) of this clause may properly include restoration or rehabilitation costs.

k. Communications. All communications under this clause shall be in writing.

l. Overseas contracts. If this contract is to be performed outside of the United States of America, its territories, or possessions, the words "Government" and "Government-furnished" (wherever they appear in this clause) shall be construed as "United States Government" and "United States Government-furnished," respectively.

(End of clause)

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SECTION J - LIST OF ATTACHMENTS

| <u>List of</u><br><u>Addenda</u> | <u>Title</u> | <u>Date</u> | <u>Number</u><br><u>of Pages</u> | <u>Transmitted By</u> |
|----------------------------------|--------------|-------------|----------------------------------|-----------------------|
| Attachment 001                   | LETTER AWARD | 22-SEP-99   | 002                              |                       |