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PART I – THE SCHEDULE

SECTION B

SUPPLIES OR SERVICES AND PRICES/COSTS

ARTICLE B-1 COST-PLUS PERFORMANCE/AWARD FEE

The contractor shall provide checkout, assembly and payload processing services in accordance with Attachment J-1, Statement of Work and Attachment J-2, Statement of Work for Priced Options, under a cost-plus performance/award fee type arrangement. The estimated cost and fee is set forth in Table B-1A below:

Table B-1A Estimated Cost and Fee				
Contract Line Item No. (CLIN)	Description	Cost	Fee*	Total
001A	Payload Processing and related services, IAW Attachment J-1, for the period of 10/01/02 through 09/30/06			\$ 359,460,524
001B	Option Period 1, continuation of 001A for the period of 10/01/06 through 09/30/09			\$ 303,543,666
001C	Option Period 2, continuation of 001B for the period of 10/01/09 through 09/30/12			\$ 198,241,838
TOTAL (CLINS 001A, 001B, and 001C)				\$ 861,246,028

* Fee is the total Earned Fee for the period evaluated plus the Available Fee for future periods.

The priced option periods, CLINS 001B and 001C above, may be exercised by the government in accordance with Article F-4, Period of Performance, and FAR 52.217-9. A government fiscal year breakdown of the cost and fee summarized in Table B-1A above is provided in Tables B-1B, B-1C and B-1D.

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Table B-1B Breakdown of Basic Period Cost & Fee

CLIN	Description	Cost	Fee*	Total
001A	Payload Processing and related services IAW Attachment J-1, for the period of 10/01/02 through 09/30/06			\$359,460,524
	Contract Year 1 (10/01/02 - 09/30/03)			\$ 89,160,497
	Contract Year 2 (10/01/03 - 09/30/04)			\$ 86,334,786
	Contract Year 3 (10/01/04 - 09/30/05)			\$ 95,276,940
	Contract Year 4 (10/01/05 - 09/30/06)			\$ 88,688,301

Table B-1C Breakdown of Option Period 1 Cost and Fee

CLIN	Description	Cost	Fee	Total
001B	Payload Processing and related services, IAW Attachment J-1, for the period of 10/01/06 through 09/30/09			\$303,543,666
	Contract Year 5 (10/01/06 - 09/30/07)			\$ 95,597,081
	Contract Year 6 (10/01/07 - 09/30/08)			\$103,336,149
	Contract Year 7 (10/01/08 - 09/30/09)			\$104,610,436

Table B-1D Breakdown of Option Period 2 Cost & Fee

CLIN	Description	Cost	Fee	Total
001C	Payload Processing and related services, IAW Attachment J-1, for the period of 10/01/09 through 09/30/12			\$198,241,838
	Contract Year 8 (10/01/09 - 09/30/10)			\$ 76,089,712
	Contract Year 9 (10/01/10 - 09/30/11)			\$ 60,825,465
	Contract Year 10 (10/01/11 - 09/30/12)			\$ 61,326,660

* Fee is the total Earned Fee for the period evaluated plus the Available Fee for future periods.

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In addition to the basic services provided for in CLINs 001A, 001B, and 001C above, Tables B-1E through B-1P below set forth priced options for additional services that may be ordered by the government. If the government exercises any of these options, a written administrative modification will be executed, transferring the estimated cost and fee of the optional CLIN into CLINs 001A, 001B or 001C as appropriate.

Table B-1E Breakdown of Integrated System Test Support Option Cost & Fee

CLIN	Description	Cost	Fee*	Total
002A	Integrated System Test Support, per Article B-7, for the period of 10/01/02 through 09/30/06 (per mission)			
	Contract Year 1 (10/01/02 - 09/30/03)			
	Contract Year 2 (10/01/03 - 09/30/04)			
	Contract Year 3 (10/01/04 - 09/30/05)			
	Contract Year 4 (10/01/05 - 09/30/06)			

Table B-1F Breakdown of Integrated System Test Support Option Period 1 Cost & Fee

CLIN	Description	Cost	Fee*	Total
002B	10/01/06 through 09/30/09 (per mission)			
	Contract Year 5 (10/01/06 - 09/30/07)			
	Contract Year 6 (10/01/07 - 09/30/08)			
	Contract Year 7 (10/01/08 - 09/30/09)			

Table B-1G Breakdown of Multi Element Integrated Test 3 Option Cost & Fee

CLIN	Description	Cost	Fee*	Total
003	Multiple Element Integrated Test 3 per Article B-8, for the period of 10/01/02 through 09/30/06 (one-time test)			
	Contract Year 1 (10/01/02 - 09/30/03)			
	Contract Year 2 (10/01/03 - 09/30/04)			
	Contract Year 3 (10/01/04 - 09/30/05)			
	Contract Year 4 (10/01/05 - 09/30/06)			

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Table B-1H Breakdown of Element Leak Test Option Cost & Fee

CLIN	Description	Cost	Fee*	Total
004A**	Element Leak Test per Article B-9, for the period of 10/01/02 through 09/30/06 (per mission)			
	Contract Year 1 (10/01/02 - 09/30/03)			\$ 135,437
	Contract Year 2 (10/01/03 - 09/30/04)			\$ 139,866
	Contract Year 3 (10/01/04 - 09/30/05)			\$ 144,836
	Contract Year 4 (10/01/05 - 09/30/06)			\$ 150,960

Table B-1I Breakdown of Element Leak Test Option Period 1 Cost & Fee

CLIN	Description	Cost	Fee*	Total
004B	10/01/06 through 09/30/09 (per mission)			
	Contract Year 5 (10/01/06 - 09/30/07)			
	Contract Year 6 (10/01/07 - 09/30/08)			
	Contract Year 7 (10/01/08 - 09/30/09)			

Table B-1J Breakdown of Element Leak Test Option Period 2 Cost & Fee

CLIN	Description	Cost	Fee*	Total
004c	10/01/09 through 09/30/12 (per mission)			
	Contract Year 8 (10/01/09 - 09/30/10)			
	Contract Year 9 (10/01/10 - 09/30/11)			
	Contract Year 10 (10/01/11 - 09/30/12)			

*The Element Leak Test option at CLIN 004A is exercised at contract award with one element leak test to be performed for NODE 2 concurrent with CLIN 001A. The estimated cost and fee of one element leak test for contract year 1 has been included in the estimated cost and fee of CLIN 001A in Tables B-1A and B-1B per the language preceding Table B-1E in Article B-1.

**CLIN 004A, Contract Year 3 is exercised with one element leak test to be performed for the Columbus module. The estimated cost and fee of one element leak test for contract year 3 has been included in the estimated cost and fee of CLIN 001A in Tables B-1A and B-1B.

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Table B-1K Breakdown of Sustaining Engineering Option Cost & Fee

CLIN	Description	Cost	Fee*	Total
005A	Sustaining Engineering per Article B-10, for the period of 10/01/02 through 09/30/06			
	Contract Year 1 (10/01/02 - 09/30/03)			
	Contract Year 2 (10/01/03 - 09/30/04)			
	Contract Year 3 (10/01/04 - 09/30/05)			
	Contract Year 4 (10/01/05 - 09/30/06)			

Table B-1L Breakdown of Sustaining Engineering Option Period 1 Cost & Fee

CLIN	Description	Cost	Fee*	Total
005B	Continuation of 005A for the period of 10/01/06 through 09/30/09			
	Contract Year 5 (10/01/06 - 09/30/07)			
	Contract Year 6 (10/01/07 - 09/30/08)			
	Contract Year 7 (10/01/08 - 09/30/09)			

Table B-1M Breakdown of Sustaining Engineering Option Period 2 Cost & Fee

CLIN	Description	Cost	Fee*	Total
005C	Continuation of 005B for the period of 10/01/09 through 09/30/12			
	Contract Year 8 (10/01/09 - 09/30/10)			
	Contract Year 9 (10/01/10 - 09/30/11)			
	Contract Year 10 (10/01/11 - 09/30/12)			

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Table B-1N, B-1O and B-1P: Deleted

The MPLM packing option at CLIN 006A was exercised at contract award for performance concurrent with CLIN 001A and descoped for contract years 2 through 4 to support the transition of these requirements to the JSC Cargo Mission contract, effective January 1, 2004. The estimated cost and fee of CLIN 006A and descope impact has been included in the estimated cost and fee of CLIN 001A in Tables B-1A and B-1B per the language preceding Table B-1E in Article B-1.

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ARTICLE B-2 INDEFINITE DELIVERY/INDEFINITE QUANTITY ITEMS

The government may order Indefinite Delivery/Indefinite Quantity (IDIQ) services at any time after contract start, in accordance with the procedures set forth in Article H-19 of this contract. The contractor shall provide engineering and technical skills in support of government-led studies, analyses and new technology development projects for non-manifested future programs and initiatives. The contractor shall provide testing and advanced processing support for government customers or as directed by the government under this IDIQ article. The tasks will be dynamic in nature and may be performed in a teaming arrangement with the government or other contractors. The government will define the overall requirements of each order, including intermediate and final deliverable end items, and decide the respective responsibilities of each organization participating in the effort.

The contractor shall utilize the fully burdened, fixed-price rates shown in Table B-2 for pricing task orders. The contractor shall only accept task orders issued by the contracting officer. The total value of task orders issued under this article shall not exceed \$5,000,000 per contract year. Other direct costs (ODC), such as materials, supplies and travel, shall be paid at cost with no fee, in accordance with FAR Clause 52.216-11, Cost Contract – No Fee (APR 1984). The contractor shall retain original vendor receipts and furnish them to the contracting officer upon request to substantiate ODC billings.

Task Order Summary (IDIQ) (CLIN 007 - 011)

The total value of task orders definitized and incorporated into this contract under this article:

Task Order	Task Description	Firm Fixed Price
001	Design Visualization	\$261,268
002	Integrated HF Toolkit	\$50,369
	Total Contract Year 03	\$311,637
003	O&C Comprehensive Study	\$82,786
	Total Contract Year 04	\$82,786
	Total All Task Orders	\$394,423

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Table B-2		Indefinitely Delivery/ Indefinitely Quantity			
CLIN	Labor Class or Other Direct Cost	Skill Level	Unit	Price	
007	Engineering Labor for the Period: 10/01/02 through 09/30/03	Jr. Engineer	Per hour		
		Engineer	Per hour		
	10/01/03 through 09/30/04	Sr. Engineer	Per hour		
		Jr. Engineer	Per hour		
	10/01/04 through 09/30/05	Engineer	Per hour		
		Sr. Engineer	Per hour		
	10/01/05 through 09/30/06	Jr. Engineer	Per hour		
		Engineer	Per hour		
	10/01/06 through 09/30/07	Sr. Engineer	Per hour		
		Jr. Engineer	Per hour		
	10/01/07 through 09/30/08	Engineer	Per hour		
		Sr. Engineer	Per hour		
	10/01/08 through 09/30/09	Jr. Engineer	Per hour		
		Engineer	Per hour		
	10/01/09 through 09/30/10	Sr. Engineer	Per hour		
		Jr. Engineer	Per hour		
	10/01/10 through 09/30/11	Engineer	Per hour		
		Sr. Engineer	Per hour		
	10/01/11 through 09/30/12	Jr. Engineer	Per hour		
		Engineer	Per hour		
			Sr. Engineer	Per hour	

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CLIN	Labor Class or Other Direct Cost	Skill Level	Unit	Price
008	Safety and Mission Assurance labor for the Period:			
	10/01/02 through 09/30/03	Junior	Per hour	
		Senior	Per hour	
	10/01/03 through 09/30/04	Junior	Per hour	
		Senior	Per hour	
	10/01/04 through 09/30/05	Junior	Per hour	
		Senior	Per hour	
	10/01/05 through 09/30/06	Junior	Per hour	
		Senior	Per hour	
	10/01/06 through 09/30/07	Junior	Per hour	
		Senior	Per hour	
	10/01/07 through 09/30/08	Junior	Per hour	
		Senior	Per hour	
	10/01/08 through 09/30/09	Junior	Per hour	
		Senior	Per hour	
	10/01/09 through 09/30/10	Junior	Per hour	
		Senior	Per hour	
	10/01/10 through 09/30/11	Junior	Per hour	
		Senior	Per hour	
	10/01/11 through 09/30/12	Junior	Per hour	
		Senior	Per hour	
	009	Technician labor for the Period:		
10/01/02 through 09/30/03		Junior	Per hour	
		Senior	Per hour	
10/01/03 through 09/30/04		Junior	Per hour	
		Senior	Per hour	
10/01/04 through 09/30/05		Junior	Per hour	
		Senior	Per hour	
10/01/05 through 09/30/06		Junior	Per hour	
		Senior	Per hour	
10/01/06 through 09/30/07		Junior	Per hour	
		Senior	Per hour	
10/01/07 through 09/30/08		Junior	Per hour	
		Senior	Per hour	
10/01/08 through 09/30/09		Junior	Per hour	
	Senior	Per hour		
10/01/09 through 09/30/10	Junior	Per hour		
	Senior	Per hour		
10/01/10 through 09/30/11	Junior	Per hour		
	Senior	Per hour		
10/01/11 through 09/30/12	Junior	Per hour		
	Senior	Per hour		

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CLIN	Labor Class or Other Direct Cost	Skill Level	Unit	Price	
010	Software Programming labor for the				
	Period of:				
	10/01/02 through 09/30/03	Junior	Per hour		
		Senior	Per hour		
	10/01/03 through 09/30/04	Junior	Per hour		
		Senior	Per hour		
	10/01/04 through 09/30/05	Junior	Per hour		
		Senior	Per hour		
	10/01/05 through 09/30/06	Junior	Per hour		
		Senior	Per hour		
	10/01/06 through 09/30/07	Junior	Per hour		
		Senior	Per hour		
	10/01/07 through 09/30/08	Junior	Per hour		
		Senior	Per hour		
	10/01/08 through 09/30/09	Junior	Per hour		
		Senior	Per hour		
	10/01/09 through 09/30/10	Junior	Per hour		
		Senior	Per hour		
	10/01/10 through 09/30/11	Junior	Per hour		
		Senior	Per hour		
	10/01/11 through 09/30/12	Junior	Per hour		
		Senior	Per hour		
	011	Other Direct Costs		Per lot	TBD

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ARTICLE B-3 PERFORMANCE/AWARD FEE

The amount of fee earned by the contractor under CLINs 001A, 001B and 001C shall be determined in accordance with Attachment J-5, CAPPS Performance/Award Fee Evaluation Plan.

The amount of available and earned fee, by evaluation period, is provided in Table B-3 below:

Table B-3 Available and Earned Fee						
CLIN 001A Evaluation Periods	Available Fee	Earned Fee	Score	Rating	Fee Mod No.	
1 10/01/02 - 03/31/03			93	93%	21,22,51,54,68	
2 04/01/03 - 09/30/03			94	94%	47,50,51,54,62,68, 70	
3 10/01/03 - 03/31/04			92	92%	75, 78,79, 92,97	
4 04/01/04 - 09/30/04			96	96%	98, 103, 106, 108	
5 10/01/04 - 03/31/05			97	97%	124,125,128,130,132,137,150,161	
6 04/01/05 - 09/30/05			97	97%	149, 150,161	
7 10/01/05 - 03/31/06			98	98%	167,170,173,190	
8 04/01/06 - 09/30/06			98	98%	197	
Subtotal						
Total Fee Earned Plus Available (CLIN 001A)						
CLIN 001B Evaluation Periods						
9 10/01/06 - 03/31/07			96	96%	223,228,231,244,251,270,280,281	
10 04/01/07 - 09/30/07			98	98%	259, 264,270,280,281	
11 10/01/07 - 03/31/08			98	98%	286,290,299,300,308	
12 04/01/08 - 09/30/08			99	99%	313, 318	
13 10/01/08 - 03/31/09						
14 04/01/09 - 09/30/09						
Subtotal						
Total Fee Earned Plus Available (CLIN 001B)						
CLIN 001C Evaluation Periods						
15 10/01/09 - 03/31/10						
16 04/01/10 - 09/30/10						
17 10/01/10 - 03/31/11						
18 04/01/11 - 09/30/11						
19 10/01/11 - 03/31/12						
20 04/01/12 - 09/30/12						
Subtotal						
Total Fee Earned Plus Available (CLIN 001C)						
Total Fee Earned Plus Available (CLINS 001A – 001C)						

NAS 10-02007 (SECTION B)**CAPPS****13****ARTICLE B-4 NFS 1852.232-81 CONTRACT FUNDING (JUN 1990)**

For purposes of payment of cost, exclusive of fee, in accordance with the Limitation of Funds Clause, the total amount allotted by the government to this contract is shown in Table B-4 below. Also included in the table is the total amount obligated under this contract for payment of fee. These allotments are applicable to the basic CAPPS services provided in CLIN 001A and are considered adequate to reimburse the contractor's performance through the dates shown in the table.

Table B-4 Contract Funding

AS OF MOD #	ALLOTTED COST	ALLOTTED FEE	ALLOTTED TOTAL COST AND FEE	ADEQUATE THROUGH
BASIC			\$ 9,264,420	Nov 06 02
005			\$ 16,060,147	Jan 12 03
008			\$ 13,451,161	Mar 07 03
009			\$ 3,200,000	Mar 20 03
010			\$ 33,879,791	Aug 06 03
013			\$ 216,361	Aug 07 03
017			\$ 4,029,802	Aug 23 03
024			\$ 10,174,380	Oct 03 03
028			\$ 6,588,075	Nov 01 03
030			\$ 1,196,802	Nov 06 03
032			\$ 828,074	Nov 09 03
034			\$ 7,328,766	Dec 07 03
045			\$ 1,531,124	Dec 13 03
049			\$ 5,094,526	Jan 05 04
056			\$ 3,095,000	Jan 22 04
058			\$ 5,809,352	Feb 17 04
064			\$ 8,476,930	Mar 23 04
069			\$ 29,808,091	Jul 22 04
073			\$ 1,152,000	Jul 26 04
076			\$ 250,000	Jul 26 04
077			\$ 3,411,524	Aug 07 04
084			\$ 2,764,930	Aug 18 04
087			\$ 12,779,598	Oct 09 04
088			\$ 1,853,227	Oct 15 04
090			\$ 66,658	Oct 15 04
095			\$ 546,357	Nov 11 04
099			\$ 8,678,618	Dec 16 04
100			\$ 7,226,741	Jan 14 05
105			\$ 851,564	Jan 17 05
109			\$ 28,112,186	May 9 05
113			\$ 3,520,366	May 21 05
116			\$ 1,742,895	May 28 05
121			\$ 4,732,206	Jun 12 05
127			\$ 3,036,931	Jun 25 05
133			\$ 9,283,311	Jul 25 05
135			\$ 6,517,440	Aug 19 05
140			\$ 13,119,937	Oct 08 05
144			\$ 7,105,313	Nov 04 05

Table B-4 Contract Funding (Continuation)

AS OF MOD #	ALLOTTED COST	ALLOTTED FEE	ALLOTTED TOTAL COST AND FEE	ADEQUATE THROUGH
145			\$ 229,392	Nov 05 05
147			\$ 5,087,201	Nov 28 05
151			\$ 12,759,000	Jan 17 06
154			\$ 2,625,398	Jan 27 06
156			\$ 29,305,344	May 22 06
158			\$ 2,451,240	Jun 01 06
160			\$ 3,893,322	Jun 16 06
164			\$ 9,799,264	Jul 31 06
168			\$ 1,160,052	Aug 04 06
171			\$ 1,178,101	Aug 09 06
175			\$ 5,444,290	Aug 31 06
182			\$ 9,587,580	Oct 11 06
188			\$ 3,556,054	Oct 25 06
191			\$ 8,926,009	Nov 30 06
200			\$ 7,657,648	Dec 29 06
203			\$ 9,601,811	Feb 02 07
205			\$ 11,595,096	Mar 15 07
213			\$ 4,973,747	Apr 03 07
217			\$ 6,953,998	Apr 28 07
221			\$ 21,868,739	Jul 15 07
224			\$ 2,836,623	Jul 27 07
226			\$ 119,421	Jul 27 07
229			\$ 10,196,512	Sep 03 07
232			\$ 956,462	Sep 07 07
238			\$ 6,591,889	Sep 30 07
239			\$ 52,540	Sep 30 07
245			\$ 6,208,970	Nov 11 07
249			\$ 7,620,635	Dec 09 07
255			\$ 7,748,647	Jan 08 08
260			\$ 4,333,073	Jan 23 08
265			\$ 4,509,484	Feb 06 08
266			\$ 1,214,724	Feb 10 08
267			\$ 6,381,650	Feb 29 08
274			\$ 31,279,216	Jun 20 08
278			\$ 4,930,442	Jul 07 08
284			\$ 3,574,145	Jul 20 08
288			\$ 6,432,066	Jul 29 08
291			\$ 14,982,049	Sep 17 08
295			\$ 11,787,352	Oct 27 08
298			\$ 2,299,443	Nov 04 08
304			\$ 1,964,582	Nov 19 08
309			\$ 2,726,930	Dec 04 08
CUM VALUE			\$ 574,184,745	Dec 04 08

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Table B-4 Contract Funding (Continuation)

AS OF MOD #	ALLOTTED COST	ALLOTTED FEE	ALLOTTED TOTAL COST AND FEE	ADEQUATE THROUGH
310			\$ 18,821,240	Feb 10 09
311			\$ 174,978	Feb 11 09
312			\$ (174,978)	Feb 10 09
316			\$ 3,217,383	Feb 22 09
320			\$ 3,957,273	Mar 7 09
322			\$ 1,290,142	Mar 12 09
CUM VALUE			\$ 601,470,783	Mar 12 09

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ARTICLE B-5 KSC 52.231-90 SPECIAL COST PROVISIONS (DEC 2000)

Pursuant to the terms of the contract clause entitled "Allowable Cost and Payment", the contractor shall be reimbursed for such actual and allowable expenditures incurred in the performance of work required by this contract as may be approved by the Contracting Officer, subject to the following limitations and provisions:

A. TRAVEL

Pursuant to Title 11, Section 21 of the Federal Civilian Employee and Contractor Travel Expense Act of 1985 (PL 99-234), reimbursement for travel shall be in accordance with the provisions of FAR 31.205-46. Travel required in performance of work under this contract shall be in accordance with the Contractor's approved travel policy.

B. REIMBURSABLE INDIRECT CEILING RATES

Notwithstanding the terms of the contract clause entitled "Allowable Cost and Payment," the contractor shall not be reimbursed for costs in excess of the Overhead (O/H), General and Administrative (G&A), and any other indirect rate ceilings (per contractor fiscal year) shown below:

Year	Ceiling Fringe Rate *	Ceiling O/H Rate	Ceiling Host Admin Rate	Ceiling G&A Rate
2002				
2003				
2004				
2005				
2006				
2007				
2008				
2009				
2010				
2011				
2012				

The indirect ceiling rates stated above will be examined at the conclusion of each contract period. If extreme and unforeseeable events have occurred and it is considered necessary and warranted, by the contracting officer, the indirect ceiling rates may be adjusted upward or downward for future periods. In no event will the contractor be allowed to recover indirect costs incurred in past years in excess of the ceiling applicable to each such year. Ceiling rates will not be increased without a clear and convincing demonstration that unforeseeable events have adversely affected the contractor's cost of performance under this contract.

* The ceiling fringe rate without pension is applicable to the portion of the fringe rate subject to ceiling, including group insurance, retiree medical, and savings plan. FICA and Federal and State Unemployment Insurance will not be subject to ceilings. The cost of nonproductive time will also not be subject to ceilings.

The O/H rate calculations exclude general purpose training costs. The cost of general purpose training will not be subject to ceilings.

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B. REIMBURSABLE INDIRECT CEILING RATES (Continued)

New Business Funds (NBF) for the Constellation Program (CxP) Ground Processing Services at KSC acquisition or any similarly named or intended acquisition are excluded from the calculation of the General & Administrative (G&A) rate ceiling beginning in calendar year 2008 and continuing throughout any subsequent contract award. NBF is defined as costs for responding to NASA's Requests for Information, Sources Sought Synopsis, Draft and Formal Requests for Proposal accounted for within G&A expenses, and is limited to a maximum exclusion of \$4M. The cost of NBF relief to the G&A ceilings shall not be cause for a change to the CAPPS contract value.

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C. G&A BASE, OTHER INDIRECT AND OVERHEAD BASE

Burden (Fringe)

The base for application of Boeing Fringe Benefits includes total direct labor dollars.

Processing Operations Overhead/Boeing Space Operations Overhead

The base for application of Boeing Overhead includes total direct labor, consisting of the sum of direct labor dollars and fringe benefits costs.

Host Administration

The base for application of Host (Site) Administration includes total value added costs: Direct Labor (direct labor and fringe benefit dollars); Overhead; overtime premium; and other direct costs (travel, relocation and other miscellaneous value added costs).

General and Administrative (G&A)

The base for application of G&A includes total value added costs including Host Administration overhead: Direct Labor (direct labor and fringe benefit dollars); processing operations overhead; overtime premium; other direct costs (travel, relocation and other miscellaneous value added costs); and Host Administration costs. Supplies, materials, equipment, subcontract or Interorganizational Work Authorization (IWA) costs are not included in the base for G&A application

D. PROVISIONAL INDIRECT BILLING RATES

1. Provisional billing rates for indirect cost pools shall be set at the discretion of the Contracting Officer based upon proposals from the contractor and following review by Government auditors. The provisional billing rates for Fringe Benefits, Overhead, and G&A (by contractor fiscal year) are:

Year	Provisional Fringe Rate	Provisional Overhead Rate	Provisional G&A Rate
2003			
2004			
2005			
2006			
2007			
2008			
2009			
2010			
2011			
2012			

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2. To prevent substantial over or under payment (except where ceiling is reached), the provisional billing rates may, at the discretion of the Contracting Officer, be revised, either retroactively or prospectively, and such revision shall be set forth in a modification to this contract.

E. RELOCATION COSTS

Reimbursement for relocation costs shall be in accordance with the provisions of FAR 31.205-35. No relocation costs will be reimbursable under this contract for employees whose residence at the time of hiring or assignment to this contract was within a fifty (50) mile radius of Kennedy Space Center, Florida. In no event shall the average reimbursement for relocation costs exceed the following ceiling:

PERIOD	CEILING COST (Per Relocation)
2003	
2004	
2005	
2006	
2007	
2008	
2009	
2010	
2011	
2012	

NOTE: The contractor shall not be entitled to reimbursement under this contract for cost of relocating employees to their "home" site or any other gaining contractor activity.

F. HOUSEHOLD GOODS SHIPMENTS

1. Movement of household goods and personal effects of contractor employees, when the total transportation costs are to be reimbursed by the government, shall be made by carriers furnishing reduced rates under 49 U.S.C. Section 107.21, when such rates are available. The Chief, Transportation Branch, TA-E1, Kennedy Space Center, Florida, telephone number (321) 867-2860, will provide the contractor with applicable instructions for household goods movement and such other support or guidance that is requested.

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2. The contractor shall furnish the Chief, Transportation Branch, TA-E1, Kennedy Space Center, Florida, with advanced information of any planned mass movement of personnel (10 or more families) thirty (30) or more days prior to the start of any major relocations in order to provide the government with sufficient time for rate negotiation action.
3. Carriers bill of lading and related shipping documents will be annotated with the following statement:

"All transportation and services hereunder are for the National Aeronautics and Space Administration and the actual total transportation, accessorial and valuation charges paid to the carrier by the consignor or consignee are to be reimbursed by the U. S. Government, pursuant to the cost reimbursable Contract No. NAS10-02007. This may be confirmed by contacting such agency at (321) 867-2860. The undersigned, party to the above contract, is aware that a false statement submitted to the carrier for the purpose of receiving such reduced rates is a criminal offense under the Interstate Commerce Act.

Name of Company

BY: _____
(Company Official - Title)

4. Copies of all carriers' bills of lading will be available for review by the government on movements of household goods and personal effects that are the result of the relocation of the contractor employees when the total transportation costs are to be reimbursed by the government. Requests for deviations from the procedures established by this clause should be in writing and addressed to the Contracting Officer. Such requests must be made prior to the proposed move and in sufficient time for the Contracting Officer to make a decision.
5. Failure to comply with the provisions of this clause may result in the disallowance of costs, which are in excess of those that would have resulted from utilization of reduced rates obtainable under the provisions of this clause.

G. SEVERANCE PAY

Reimbursement for severance pay shall be in accordance with the provisions of FAR 31.205-6(g). However, in no event shall the government reimburse the contractor for the

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cost of severance pay for any individual contractor employee who voluntarily elects to work for a succeeding contractor. This provision shall apply to an extension hereof.

H. PENSION PROGRAM REQUIREMENTS

Pursuant to NFS 1852.237-71, Pension Portability, included by reference in Section I of this contract, a clear description of the portable pension plan, including service, pay, liabilities, vesting, termination, and benefits from prior contracts will be inserted in this section, when applicable. The contractor does not have a portable pension plan and shall not be reimbursed for pension costs under this contract.

I. FRINGE BENEFITS

The contractor shall inform the contracting officer of all proposed changes in fringe benefits which may result in an increased cost to the contract as soon as practicable, but in any event, prior to such changes being implemented. Fringe benefits include, but are not limited to, such items as health insurance, life insurance, pension plans, retiree health care, savings plans, bonus plans, education assistance, and leave policies. Failure to comply with the terms of this clause may result in the disallowance of costs.

J. TRANSFER OF ACCRUED BENEFITS

The contractor will accept transfer of accrued sick leave hours and recognize the vacation leave accrual rates of incumbent personnel hired from the predecessor contract NAS10-11400, provided the employee had no break in service from the predecessor contract exceeding 60 days. The costs of the transferred sick leave hours will not be paid under this contract unless and until they are used.

ARTICLE B-6 SPECIAL PROVISIONS REGARDING CONTRACT ADJUSTMENTS

A. Revisions to milestones, missions, schedules, manifests and/or processing requirements may be made by the government, and shall be deemed within the scope of this contract. The government will consider a proposed equitable adjustment (increase or decrease) to the contract, when the estimated cost (exclusive of fee) of any single event exceeds the values listed below, unless the contractor's actions are a significant contributing factor causing a cost increase:

\$500,000 for CLIN 001A, Basic Period of Performance

\$600,000 for CLIN 001B, Option Period 1

\$700,000 for CLIN 001C, Option Period 2

However, the government will consider an adjustment to the contract, for estimated cost only (no fee) for those events equal to or less than the above thresholds. An

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event is defined as the addition, substitution, or deletion of a payload for a scheduled mission once payload processing is commenced at KSC; a compression of a process flow, once commenced, to accelerate or avoid postponing a launch date; or the addition, substitution or elimination of a scheduled mission.

- B. Equitable adjustments pursuant to any provision of this contract shall be subject to the limitations specified in Paragraph A above.

ARTICLE B-7 PRICED OPTION FOR INTEGRATED SYSTEMS TESTS (CLIN 002A AND 002B)

The government may exercise options for integrated systems tests as delineated in Attachment J-2, Statement of Work for Priced Options. The government may exercise integrated systems test options under CLIN 002A, at any time during the basic contract period of performance (Oct 02 through Sep 06). The government may exercise integrated systems tests options under CLIN 002B at any time during Option Period 1 (Oct 06 – Sep 09). Options may be exercised on a per mission basis by written notice to the contractor not later than 90 days prior to commencement of the option work. The option to exercise CLIN 002B is contingent upon exercise of Option Period 1, CLIN 001B. The price (cost and fee per table B-1E and B-1F) per mission in effect at the time the option is exercised shall cover the full price of performing the test, even if the duration of the test crosses fiscal years.

ARTICLE B-8 PRICED OPTION FOR MULTIPLE ELEMENT INTEGRATED TEST 3 (CLIN 003)

The government may exercise an option for Multiple Element Integrated Test 3 (MEIT3) as delineated in Attachment J-2, Statement of Work for Priced Options. The government may exercise this MEIT3 option one time under CLIN 003, at any time during the basic contract period of performance (Oct 02 through Sep 06) by written notice to the contractor not later than 90 days prior to commencement of the option work. The price (cost and fee per table B-1G) in effect at the time the option is exercised shall cover the full price of performing the work, even if the duration of the test crosses fiscal years.

ARTICLE B-9 PRICED OPTION FOR ELEMENT-LEVEL LEAK TESTS (CLINS 004A, 004B, and 004C)

The government may exercise options for element-level leak tests as delineated in Attachment J-2, Statement of Work for Priced Options. The government may exercise element-level leak tests options under CLIN 004A at any time during the basic contract period of performance (Oct 02 through Sep 06). The government may exercise element-

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level leak tests options under CLIN 004B at any time during Option Period 1 (Oct 06 – Sep 09). The government may exercise element-level leak tests options under CLIN 004C at any time during Option Period 2 (Oct 09 – Sep 12). Options may be exercised on a per mission basis by written notice to the contractor not later than 90 days prior to commencement of the option work. The option to exercise CLIN 004B is contingent upon exercise of Option Period 1, CLIN 001B. The option to exercise CLIN 004C is contingent upon exercise of Option Period 2, CLIN 001C. The price (cost and fee per table B-1H, B-1I and B-1J) per mission in effect at the time the option is exercised shall cover the full price of performing the test, even if the duration of the test crosses fiscal years.

**ARTICLE B-10 PRICED OPTION FOR GROUND SUPPORT EQUIPMENT
SUSTAINING ENGINEERING (CLINS 005A, 005B, and 005C)**

The government may exercise options for ground support equipment sustaining engineering as delineated in Attachment J-2, Statement of Work for Priced Options. The government may exercise ground support equipment sustaining engineering options under CLIN 005A at any time during the basic contract period of performance (Oct 02 through Sep 06). The government may exercise ground support equipment sustaining engineering options under CLIN 005B at any time during Option Period 1 (Oct 06 – Sep 09). The government may exercise ground support equipment sustaining engineering options under CLIN 005C at any time during Option Period 2 (Oct 09 – Sep 12). Options may be exercised by written notice to the contractor not later than 90 days prior to commencement of the option work. The option to exercise CLIN 005B is contingent upon exercise of Option Period 1, CLIN 001B. The option to exercise CLIN 005C is contingent upon exercise of Option Period 2, CLIN 001C.

ARTICLE B-11 RESERVED