

**DELIVERY ORDER**

**FINAL**

1. CONTRACT NO. N00178-05-D-4649	2. DELIVERY ORDER NO. FD01	3. EFFECTIVE DATE 02/06/2006	4. PURCHASE REQUEST NO. N00167-05-NR-00398
-------------------------------------	-------------------------------	---------------------------------	---

5. ISSUED BY NSWC, CARDEROCK DIVISION, MARYLAND Roger N Branstiter 3322 9500 MacArthur Blvd West Bethesda, MD 20817 roger.branstiter@navy.mil 301-227-5782 Ext.	CODE N00167	6. ADMINISTERED BY DCMA SOUTHERN VIRGINIA 190 BERNARD ROAD, BLDG 117 FORT MONROE, VA 23651	CODE S5111A
--	----------------	---	----------------

7. CONTRACTOR Vision Point Systems, Inc. 1700 Kraft Drive, Suite 2150 Blacksburg, VA 24060-6467 TIN: 30-0121317	CODE 3T8W5	FACILITY	8. DELIVERY DATE See Section F
			9. CLOSING DATE/TIME
			SET ASIDE TYPE
			10. MAIL INVOICES TO See Section G

11. SHIP TO See Section D	12. PAYMENT WILL BE MADE BY DFAS Columbus Center, South Entitlement Operations P.O. Box 182264 Columbus, OH 43213	CODE HQ0338
------------------------------	--	----------------

13. TYPE OF ORDER	D	X	This delivery order/call is issued on another Government agency or in accordance with and subject to terms and conditions of above-numbered contract.
-------------------	---	---	---

ACCEPTANCE. THE CONTRACTOR HEREBY ACCEPTS THE OFFER REPRESENTED BY THE NUMBERED PURCHASE ORDER AS IT MAY PREVIOUSLY HAVE BEEN OR IS NOW MODIFIED, SUBJECT TO ALL OF THE TERMS AND CONDITIONS SET FORTH, AND AGREES TO PERFORM THE SAME.

Vision Point Systems,  
Inc.

Yong J Lee, CEO

NAME OF CONTRACTOR

SIGNATURE

TYPED NAME AND TITLE

DATE SIGNED

14. ACCOUNTING AND APPROPRIATION DATA See Section G
--

15. ITEM NO.	16. SCHEDULE OF SUPPLIES/SERVICES	17. QUANTITY ORDERED/ACCEPTED*	18. UNIT	19. UNIT PRICE	20. AMOUNT
See the Following Pages					

*If quantity accepted by the Government is same as quantity ordered, indicate by X. If different, enter actual quantity accepted below quantity ordered and encircle.	21. UNITED STATES OF AMERICA By: Catherine L Rowe CONTRACTING/ORDERING OFFICER	02/06/2006	22. TOTAL \$286,001
---	--	------------	------------------------

SECTION	DESCRIPTION	SECTION	DESCRIPTION
B	SUPPLIES OR SERVICES AND PRICES/COSTS	H	SPECIAL CONTRACT REQUIREMENTS
C	DESCRIPTION/SPECS/WORK STATEMENT	I	CONTRACT CLAUSES
D	PACKAGING AND MARKING	J	LIST OF ATTACHMENTS
E	INSPECTION AND ACCEPTANCE		
F	DELIVERIES OR PERFORMANCE		
G	CONTRACT ADMINISTRATION DATA		

SECTION B SUPPLIES OR SERVICES AND PRICES

CLIN - SUPPLIES OR SERVICES					
Item	Supplies/Services Qty	Unit	Est. Cost	Fixed Fee	CPFF
1000	Provide Advanced Artificial Intelligence Corrosion Data Analysis Support. (TBD)	1.0 Lot	\$224,763	\$11,238	\$236,001
100001	Incremental Funding				
100002	Incremental Funding				
3000	Other Direct Costs (TBD)	1.0 Lot	\$50,000		
300001	Incremental Funding				

## SECTION C DESCRIPTIONS AND SPECIFICATIONS

### NSWCCD Materials and Corrosion Program Support

1.0 Background: The Naval Surface Warfare Center – Carderock Division (NSWCCD) is currently working on multiple material projects that require large data set, multivariable analysis for the Office of Naval Research (ONR), Naval Sea Systems Command (NAVSEA), and US Marine Corps (USMC). Multivariable data analysis is required for most laboratory investigations. The means for conducting multivariable data analysis has changed greatly over the years, especially because of information technology programs, which allow the user to plot and analyze data in an easy-to-use program. However, when large sets of data are generated and the number of variables is increased, simple spreadsheet programs and other forms of analysis quickly become overwhelmed. In order to analyze large, multivariable data sets, specific predictive algorithms have been developed to effectively isolate variable relationships and predict future outcomes based on limited data sets. In addition, advanced visualization techniques have been developed to help the user to see these relationships in an intuitive manner. Support is required on matters of corrosion control, materials engineering, data analysis, predicative algorithms, advanced visualization, and neural networks.

2.0 Statement of Work: The contractor shall provide expert services in the form of engineering support, information technology (software) development, technical writing/documentation, and program support for NSWCCD efforts pertaining to ONR, NAVSEA, and USMC. It is anticipated that the majority of the work will be in support of NSWCCD efforts for the USMC. Project areas include:

#### 2.1 - Research, Development, Test, and Evaluation Support

Support the process of identifying state-of-the-art methods in corrosion control, materials science, and pollution prevention. Support project goals of experimental design, data gathering, and data analysis. Conduct investigations that pertain to advances in corrosion control technologies and methodologies, laboratory and field data-gathering methods, data analysis, advanced visualization, and sensor technologies. Write papers, develop presentations, and attend conferences for technical advances that pertain to the work performed for the sponsoring agencies. Develop predictive models and data mining techniques using the latest in Artificial Intelligence, Neural Networks, and Advanced Visualization.

#### 2.2 – Project Management Support

Support the goals and objectives set forth by the sponsoring agencies. Such support would include but is not limited to: the development of regular project progress reports, technical presentations, project schedules and milestones, and the tracking of project action items.

#### 2.3 – Software Application Development Support

Development of software tools that support the goals and objectives set forth by the sponsoring agencies. Such tools would include but are not limited to: data analysis tools for large, multivariable data sets; neural networks with specialized algorithms; advance visualization tools for large, multivariable data correlation and analysis; project management tools; laboratory efficiency tools; and custom software utilities. Development of advanced visualization techniques based on the DIVERSE API with a Linux platform and Mineset. Development of software tools and applications using languages such as C, C++, PHP, PERL, and Python. Personnel with subject matter expertise in the areas of Corrosion and Coatings performance are expected to work with software engineers to develop specialized data analysis tools.

3.0 Performance Period: The period of performance is from effective date of Task Order through three (3) years thereafter.

## SECTION D PACKAGING AND MARKING

Ship to;

Naval Surface Warfare Center, Carderock Division

Daniel A. Davis, Code 6130

9500 MacArthur Blvd.

West Bethesda, MD 20817-5700

CONTRACT NO. N00178-05-D-4649	DELIVERY ORDER NO. FD01	PAGE 4 of 11
----------------------------------	----------------------------	-----------------

## SECTION E INSPECTION AND ACCEPTANCE

At destination by the receiving activity represented by the Task Order Manager.

## SECTION F DELIVERIES OR PERFORMANCE

### CLIN - DELIVERIES OR PERFORMANCE

The period of performance of CLINs 1000 and 3000 shall be from the date of award through three (3) years thereafter.

## SECTION G CONTRACT ADMINISTRATION DATA

### Accounting Data

SLINID	PR Number	Amount
100001	60193967	20000.00
LLA :		
AA 97X4930.NH1C 000 77777 0 000167 2F 000000 061613061050		
100002	60265668	60000.00
LLA :		
AB 97X4930.NH1C 000 77777 0 000167 2F 000000 061613061650		
300001	60193967	30000.00
LLA :		
AA 97X4930.NH1C 000 77777 0 000167 2F 000000 061613061050		

Task Order Manager  
Daniel A Davis, 6130  
9500 MacArthur Blvd.  
West Bethesda, MD 20817-5700  
daniel.a.davis@navy.mil  
301-227-5036

### NAVSEA 5252.232-9104 ALLOTMENT OF FUNDS (MAY 1993)

(a) This contract is incrementally funded with respect to both cost and fee. The amount(s) presently available and allotted to this contract for payment of fee for incrementally funded contract line item number/contract subline item number (CLIN/SLIN), subject to the clause entitled "FIXED FEE" (FAR 52.216-8) or "INCENTIVE FEE" (FAR 52.216-10), as appropriate, is specified below. The amount(s) presently available and allotted to this contract for payment of cost for incrementally funded CLINs/SLINs is set forth below. As provided in the clause of this contract entitled "LIMITATION OF FUNDS" (FAR 52.232-22), the CLINs/SLINs covered thereby, and the period of performance for which it is estimated the allotted amount(s) will cover are as follows:

#### ESTIMATED

ITEM(S)	ALLOTED TO COST	ALLOTED TO FEE	PERIOD OF PERFORMANCE
100001-100002	\$76,190.00	\$3,810.00	Three years after award
300001	\$30,000.00	N/A	Three years after award

(b) The parties contemplate that the Government will allot additional amounts to this contract from time to time for the incrementally funded CLINs/SLINs by unilateral contract modification, and any such modification shall state separately the amount(s) allotted for cost, the amount(s) allotted for fee, the CLINs/SLINs covered thereby, and the period of performance which the amount(s) are expected to cover.

(c) CLINs/SLINs are fully funded and performance under these CLINs/SLINs is subject to the clause of this contract entitled "LIMITATION OF COST" (FAR 52.232-20) or "LIMITATION OF COST (FACILITIES)" (FAR 52.232-21), as applicable.

(d) The Contractor shall segregate costs for the performance of incrementally funded CLINs/SLINs from the costs of performance of fully funded CLINs/SLINs.

### NAVSEA 5252.216-9122 LEVEL OF EFFORT (JUL 1986)

(a) The Contractor agrees to provide the total level of effort specified in the next sentence in performance of the work described in Sections B and C of this contract. The total level of effort for the performance of this contract shall be 3,200 total man-hours of direct labor, including subcontractor direct labor for those subcontractors specifically identified in the Contractor's proposal as having hours included in the proposed level of effort.

(b) Of the total man-hours of direct labor set forth above, it is estimated that 0 man-hours are uncompensated effort.

Uncompensated effort is defined as hours provided by personnel in excess of 40 hours per week without

additional compensation for such excess work. All other effort is defined as compensated effort. If no effort is indicated in the first sentence of this paragraph, uncompensated effort performed by the Contractor shall not be counted in fulfillment of the level of effort obligations under this contract.

(c) Effort performed in fulfilling the total level of effort obligations specified above shall only include effort performed in direct support of this contract and shall not include time and effort expended on such things as (local travel to and from an employee's usual work location), uncompensated effort while on travel status, truncated lunch periods, work (actual or inferred) at an employee's residence or other non-work locations, or other time and effort which does not have a specific and direct contribution to the tasks described in Sections B and C.

(d) The level of effort for this contract shall be expended at an average rate of approximately 20.5 hours per week. It is understood and agreed that the rate of man-hours per month may fluctuate in pursuit of the technical objective, provided such fluctuation does not result in the use of the total man-hours of effort prior to the expiration of the term hereof, except as provided in the following paragraph.

(e) If, during the term hereof, the Contractor finds it necessary to accelerate the expenditure of direct labor to such an extent that the total man hours of effort specified above would be used prior to the expiration of the term, the Contractor shall notify the Contracting Officer in writing setting forth the acceleration required, the probable benefits which would result, and an offer to undertake the acceleration at no increase in the estimated cost or fee together with an offer, setting forth a proposed level of effort, cost breakdown, and proposed fee, for continuation of the work until expiration of the term hereof. The offer shall provide that the work proposed will be subject to the terms and conditions of this contract and any additions or changes required by then current law, regulations, or directives, and that the offer, with a written notice of acceptance by the Contracting Officer, shall constitute a binding contract. The Contractor shall not accelerate any effort until receipt of such written approval by the Contracting Officer. Any agreement to accelerate will be formalized by contract modification.

(f) The Contracting Officer may, by written order, direct the Contractor to accelerate the expenditure of direct labor such that the total man hours of effort specified in paragraph (a) above would be used prior to the expiration of the term. This order shall specify the acceleration required and the resulting revised term. The Contractor shall acknowledge this order within five days of receipt.

(g) If the total level of effort specified in paragraph (a) above is not provided by the Contractor during the period of this contract, the Contracting Officer, at its sole discretion, shall either (i) reduce the fee of this contract as follows:

Fee Reduction = Fee (Required LOE minus Expended LOE divided by Required LOE)

or (ii) subject to the provisions of the clause of this contract entitled "LIMITATION OF COST" (FAR 52.232-20) or "LIMITATION OF COST (FACILITIES)" (FAR 52.232-21), as applicable, require the Contractor to continue to perform the work until the total number of man hours of direct labor specified in paragraph (a) above shall have been expended, at no increase in the fee of this contract.

(h) The Contractor shall provide and maintain an accounting system, acceptable to the Administrative Contracting Officer and the Defense Contract Audit Agency (DCAA), which collects costs incurred and effort (compensated and uncompensated, if any) provided in fulfillment of the level of effort obligations of this contract. The Contractor shall indicate on each invoice the total level of effort claimed during the period covered by the invoice, separately identifying compensated effort and uncompensated effort, if any.

(i) Within 45 days after completion of the work under each separately identified period of performance hereunder, the Contractor shall submit the following information in writing to the Contracting Officer with copies to the cognizant Contract Administration Office and to the DCAA office to which vouchers are submitted: (1) the total number of man hours of direct labor expended during the applicable period; (2) a breakdown of this total showing the number of man hours expended in each direct labor classification and associated direct and indirect costs; (3) a breakdown of other costs incurred; and (4) the Contractor's estimate of the total allowable cost incurred under the contract for the period. Within 45 days after completion of the work under the contract, the Contractor shall submit, in addition, in the case of a cost underrun; (5) the amount by which the estimated cost of this contract may be reduced to recover excess funds and, in the case of an underrun in hours specified as the total level of effort; and (6) a calculation of the appropriate fee reduction in accordance with this clause. All submissions shall include subcontractor information.



## SECTION H SPECIAL CONTRACT REQUIREMENTS

### CAR-H07 Prospective Fee Amount Reduction Incentive Plan (APR 2004) (NSWCCD)

(a) Introduction: The Government, on an annual basis, will evaluate the contractor's overall performance on this task order during the previous twelve months to determine if the fee amount should be reduced due to "Unsatisfactory" performance. The first evaluation will cover the period ending twelve months after the effective date of the task order with successive evaluations being performed for each twelve-month period thereafter, if the options (if applicable) are exercised, until the contractor completes performance under the task order. Based on the evaluation results, the Procuring Contracting Officer (PCO) will assign an overall performance rating in accordance with paragraph (b) of this provision. If the PCO assigns an "Unsatisfactory" performance rating, the PCO will take unilateral action to provide for a fee reduction of 1% covering the performance period evaluated. This incentive plan provides the basis for evaluation of the contractor's performance and for determining if the fee amount should be reduced due to "Unsatisfactory" performance.

(b) Performance Ratings: The Government will evaluate the contractor's overall performance on this task order, and the PCO will assign one of the following ratings:

- (1) Excellent
- (2) Very Good
- (3) Satisfactory
- (4) Unsatisfactory

The standards associated with these ratings are given in the following Table 1.

Table 1: Overall Performance Ratings:

Excellent Excellent rating for all performance evaluation criteria.

Very Good A combination of "Excellent" and "Satisfactory" ratings determined by the PCO to exceed satisfactory overall.

Satisfactory A minimum of "Satisfactory" ratings for all performance evaluation criteria.

Unsatisfactory A rating of "Unsatisfactory" for one or more performance evaluation criteria.

(c) Incentive Objectives. The purpose of including a prospective fee amount reduction incentive in this task order is to ensure that the Government receives at least "Satisfactory" overall performance.

(d) Performance Evaluation Criteria. The contractor's overall performance will be evaluated using based on the requirements contained in the Statement of Work, and identified in the attachment (Tables 2 – 4) contained in the Past Performance Evaluation Chart.

(e) Organization. The performance evaluation organization consists of the Procuring Contracting Officer (PCO), who will serve as the Incentive Determining Official, and the Task Order Manager (ToM). They will obtain input from the other Government customers associated with that order.

(1) Procuring Contracting Officer (PCO): The PCO is responsible for properly administering the performance evaluation process and maintaining the official performance evaluation file and as PCO is responsible for making incentive determinations.

(2) ToM: The ToM maintains the written records of the contractor's performance so that a fair and accurate evaluation is obtained. The ToM coordinates and compiles the evaluation reports from the other Government customers associated with that order.

(f) Evaluation Schedule. Each performance evaluation period will be 12 months in length. Following each evaluation period, the PCO (or Contract Negotiator if so designated by the PCO) and the ToM will hold a meeting with the contractor's Senior Technical Representative to review performance under the task order, including overall trends, specific problem areas, if any, and their resolution. Other Government and

CONTRACT NO. N00178-05-D-4649	DELIVERY ORDER NO. FD01	PAGE 9 of 11
----------------------------------	----------------------------	-----------------

contractor personnel may also participate as deemed appropriate.

(g) Contractor's Self-Evaluation. The contractor may submit a self-evaluation for consideration during the evaluation process. To be considered, the report must be submitted to the PCO no later than the end of the eleventh month of the evaluation period. The report must include an overall performance rating for the task order covering the evaluation period and may include whatever information the contractor deems relevant to support that rating. The report shall not exceed two (2) pages in length.

(h) Incentive Determination. The PCO will make an incentive determination for the task order at the end of each evaluation period. The determination will be based upon the Task Order Manager's recommendation, the Contractor's Self-Evaluation and any other information deemed relevant by the PCO. The PCO's decision is unilateral and final. The determination will be documented and a copy provided to the contractor.

## SECTION I CONTRACT CLAUSES

In accordance with Section I of the basic contract and

SEA 5252.242-9115 TECHNICAL INSTRUCTIONS (APR 1999)

(a) Performance of the work hereunder may be subject to written technical instructions signed by the Task Order Manager specified in Section G of this task order. As used herein, technical instructions are defined to include the following:

(1) Directions to the Contractor which suggest pursuit of certain lines of inquiry, shift work emphasis, fill in details or otherwise serve to accomplish the contractual statement of work.

(2) Guidelines to the Contractor which assist in the interpretation of drawings, specifications or technical portions of work description.

(b) Technical instructions must be within the general scope of work stated in the contract. Technical instructions may not be used to: (1) assign additional work under the contract; (2) direct a change as defined in the "CHANGES" clause of this contract; (3) increase or decrease the contract price or estimated contract amount (including fee), as applicable, the level of effort, or the time required for contract performance; or (4) change any of the terms, conditions or specifications of the contract.

(c) If, in the opinion of the Contractor, any technical instruction calls for effort outside the scope of the task order or is inconsistent with this requirement, the Contractor shall notify the Contracting Officer in writing within ten (10) working days after the receipt of any such instruction. The Contractor shall not proceed with the work affected by the technical instruction unless and until the Contractor is notified by the Contracting Officer that the technical instruction is within the scope of this contract.

(d) Nothing in the foregoing paragraph shall be construed to excuse the Contractor from performing that portion of the contractual work statement which is not affected by the disputed technical instruction.

## SECTION J LIST OF ATTACHMENTS

Performance Based Table