AWARD/CONTRACT

1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350) — RATING: DO-C9 (J) — PAGE 1 OF 15 PAGES

2. CONTRACT (Proc. Inst. Ident.) No.: **N00014-99-C-0377**

3. EFFECTIVE DATE: **SEE BLOCK 20C**

4. REQUISITION/PURCHASE REQUEST/PROJECT NO.: **SEE BLOCK 14.**

5. ISSUED BY — CODE **N00014**

OFFICE OF NAVAL RESEARCH
ONR 254 RUSSELLE DUNSON (703) 696-8375
BALLSTON TOWER ONE
800 NORTH QUINCY STREET
ARLINGTON, VA 22217-5660

6. ADMINISTERED BY (If other than Item) — CODE **SO514A**

SCD-C
DCMC - ATLANTA
805 WALKER STREET, SUITE 1
MARIETTA, GA 30060-2789

7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, State and ZIP Code.)

CREE Research, Inc.
4600 SILICON DRIVE
DURHAM NC 27703

COD E **0C9J8** — FACILITY CODE

8. DELIVERY: **See SECTION F of Schedule** — [ ] FOB ORIGIN [ ] OTHER (See below)

9. DISCOUNT FOR PROMPT PAYMENT: **N.A.**

10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN — ITEM: SEE SECTION G. PAR. 1

11. SHIP TO/MARK FOR — CODE **N00014**

SEE SECTION - F
DELIVERIES OR PERFORMANCE

12. PAYMENT WILL BE MADE BY — CODE **HQ0339**

DFAS COLUMBUS CENTER
DFAS CO -SOUTH ENTITLEMENT OPERATIONS
P.O. BOX 182264
COLUMBUS OH 43218-2264

13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: [ ] 10 U.S.C. 2304(c)(**N/A**) [ ] 41 U.S.C. 253(c)( )

14. ACCOUNTING AND APPROPRIATION DATA: **See Attached Financial Accounting Data Sheet(s)**

15A. ITEM NO.	15B. SUPPLIES/SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT
	See SECTION B of Schedule				

15G. TOTAL AMOUNT OF CONTRACT: **$ See SECTION B of Schedule**

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CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. [X] CONTRACTOR'S NEGOTIATED AGREEMENT (*Contractor is required to sign this document and return 2 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. [ ] 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*)

John W. Palmour, Director of Advanced Devices

20A. NAME OF CONTRACTING OFFICER

(b) (6) [redacted]

19B. NAME OF CONTRACTOR

BY (b) (6) [redacted]
(*Signature of person authorized to sign*)

19C. DATE SIGNED: 9/8/99

20B. UNITED STATES OF AMERICA

BY (b) (6) [redacted]
(*Signature of Contracting Officer*)

20C. DATE SIGNED: 9-21-99

NSN 7540-01-152-8069
PREVIOUS EDITION UNUSABLE
NAVONR OVERPRINT (4-85)

STANDARD FORM 26 (REV. 4-85)
Prescribed by GSA
FAR (48 CFR) 53.214(a)

SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS

ITEM NO.	SUPPLIES/SERVICES	PRICES
0001	The Contractor shall furnish the necessary personnel and facilities to conduct the work described in Section C.	NSP
0001AA	Progress Reports and Data in accordance with Exhibit A.	$50,000.00
0001AB	Progress Reports and Data in accordance with Exhibit A.	$50,000.00
0001AC	Progress Reports/(6) Packaged Solid State Switches" deliverable as per schedule and Data in accordance with Exhibit A.	$50,000.00
0001AD	Progress Reports (6) Packaged Solid State Switches" deliverable as per schedule and Data in accordance with Exhibit A.	$50,000.00
0001AE	Progress Reports (6) Packaged Solid State Switches" deliverable as per schedule and Data in accordance with Exhibit A.	$50,000.00
0001AF	Progress Reports (6) Packaged Solid State Switches" deliverable as per schedule and Data in accordance with Exhibit A.	$50,000.00
0001AG	Progress Reports and Data in accordance with Exhibit A.	$50,000.00
0001AH	Progress Reports (6) Packaged Solid State Switches" deliverable as per schedule and Data in accordance with Exhibit A.	$50,000.00
0001AJ	Final Reports and Data in accordance with Exhibit A.	$99,947.00

TOTAL FIRM FIXED PRICE: $499,947.00

SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

1. The work and services to be performed hereunder shall be subject to the requirements and standards contained in Exhibit A and the following paragraph(s).

2. The Contractor shall conduct the work in accordance with Section 3 of its proposal entitled "Manufacturable High Power Sic Switches" dated 03 JUN 1999. Section 3 of the proposal, entitled "Statement of Work, Schedule and Deliverables," pages 5-6 is incorporated herein by reference.

SECTION D - PACKAGING AND MARKING

Preservation, packaging, packing and marking of all deliverable contract line items shall conform to normal commercial packing standards to assure safe delivery at destination.

SECTION E - INSPECTION AND ACCEPTANCE

Inspection and acceptance of the final delivery under this contract will be accomplished on behalf of the Contracting Officer by the Program Officer identified in Section G of this contract, at the address stated in Section F of this contract, who shall have thirty (30) days after delivery for acceptance.

SECTION F - DELIVERIES OR PERFORMANCE

1. The work and services to be accomplished under Line Item 0001 shall be completed no later than 30 AUG 2001. Subline Items shall be delivered in accordance with the following:

Base	
CLIN/SLIN	Delivery Date
0001AA	30 OCT 1999
0001AB	30 DEC 1999
0001AC	30 MAR 2000
0001AD	30 JUN 2000
0001AE	30 SEP 2000
0001AF	30 JAN 2001
0001AG	30 MAR 2001
0001AH	30 MAY 2001
0001AJ	30 AUG 2001

2. Distribution of all items deliverable under this contract shall be F.O.B. Destination and made in accordance with Attachment Number 1, "Contract Data Requirements List - Instructions for Distribution." **Reports and all Switches** deliverable to the Program Officer shall be consigned to:

Program Officer
Office of Naval Research
Ballston Tower One
800 North Quincy Street
Arlington, Virginia 22217-5660
Attn: George Campisi
Ref: Contract N00014-99C-0377

SECTION G - CONTRACT ADMINISTRATION DATA

1. NAPS 5252.232-9000 SUBMISSION OF INVOICES (FIXED PRICE) (JUL 1992)

(a) "Invoice" as used in this clause does not include contractor's requests for progress payments.

(b) The contractor shall submit original invoices with 4 copies to the address identified in the solicitation/contract award form (SF 26-Block 10; SF 33-Block 23; SF 1447-Block 14), unless delivery orders are applicable, in which case invoices will be segregated by individual order and submitted to the address specified in the order (DD 1155-Block 13 or SF 26-Block 10).

(c) The use of copies of the Material Inspection and Receiving Report (MIRR), DD Form 250, as an invoice is encouraged. DFARS Appendix F-306 provides instructions for such use. Copies of the MIRR used as an invoice are in addition to the standard distribution stated in DFARS F-401.

(d) In addition to the requirements of the Prompt Payment clause of this contract, the contractor shall cite on each invoice the contract line item number (CLIN); the contract subline item number (SLIN), if applicable; the accounting classification reference number (ACRN) as identified on the financial accounting data sheets, and the payment terms.

(e) The contractor shall prepare:

_____ a separate invoice for each activity designated to receive the supplies or services.

_____ a consolidated invoice covering all shipments delivered under an individual order.

x_____ either of the above.

(f) If acceptance is at origin, the contractor shall submit the MIRR or other acceptance verification directly to the designated payment office. If acceptance is at destination, the consignee will forward acceptance verification to the designated payment office.

2. Acceptance of Deliverables and Payment

Upon acceptance of deliverables under this contract, the Program Officer will complete the DD Form 250 furnished by the Contractor and forward it to the Payment Office designated in Block 12 of the Standard Form 26 of this contract, returning a copy to the Contractor.

3. Instruction to the Contractor

The Contractor is advised to direct all inquiries concerning administration of this contract to the Administrative Contracting Officer designated in Block 6 of the Standard Form 26 of this contract.

4. Procuring Office Representatives

In order to expedite administration of this contract, the Administrative Contracting Officer should direct inquiries to the appropriate office listed below. Please do not direct routine inquiries to the person listed in Item 20A on Standard Form 26.

Contract Negotiator -Russelle Dunson , ONR 254 , (703) -696-8375 , DSN 426-8375, E-Mail Address dunsonr@ONR.NAVY.MIL

Program Officer (Inspection and Acceptance; authority for approval of hours expended) -George Campisi, ONR 334 , (703) 696-7739, DSN 426-7739

Security Matters - Ms. Jennifer Ramsey, ONR 93, (703) 696-4618, DSN 426-4618

Patent Matters - Mr. Tom McDonnell, ONR 00CC, (703) 696-4000, DSN 426-4000.

The Administrative Contracting Officer will forward invention disclosures and reports directly to Corporate Counsel (Code 00CC), Office of Naval Research, Department of the Navy, Arlington, Virginia 22217-5660. The Corporate Counsel will return the reports along with a recommendation to the Administrative Contracting Officer. The Corporate Counsel will represent the Contracting Officer with regard to invention reporting matters arising under this contract.

5. DFARS 252.232-7007 LIMITATION OF GOVERNMENT'S OBLIGATION (AUG 1993)

(a) Contract line item(s)0001AA through 0001AJ are incrementally funded. For these item(s), the sum of $105,000.00 of the total price is presently available for payment and allotted to this contract. An allotment schedule is set forth in paragraph (i) of this clause.

(b) For item(s) identified in paragraph (a) of this clause, the Contractor agrees to perform up to the point at which the total amount payable by the Government, including reimbursement in the event of termination of those item(s) for the Government's convenience, approximates the total amount currently allotted to the contract. The Contractor will not be obligated to continue work on those item(s) beyond that point. The Government will not be obligated in any event to reimburse the Contractor in excess of the amount allotted to the contract for those item(s) regardless of anything to the contrary in the clause entitled "Termination for Convenience of the Government." As used in this clause, the total amount payable by the Government in the event of termination of applicable contract line item(s) for convenience includes costs, profit, and estimated termination settlement costs for those item(s).

(c) Notwithstanding the dates specified in the allotment schedule in paragraph (i) of this clause, the Contractor will notify the Contracting Officer in writing at least ninety days prior to the date when, in

the Contractor's best judgment, the work will reach the point at which the total amount payable by the Government, including any cost for termination for convenience, will approximate 85 percent of the total amount then allotted to the contract for performance of the applicable item(s). The notification will state (1) the estimated date when that point will be reached and (2) an estimate of additional funding, if any, needed to continue performance of applicable line items up to the next scheduled date for allotment of funds identified in paragraph (i) of this clause, or to a mutually agreed upon substitute date. The notification will also advise the Contracting Officer of the estimated amount of additional funds that will be required for the timely performance of the item(s) funded pursuant to this clause, for a subsequent period as may be specified in the allotment schedule in paragraph (i) of this clause, or otherwise agreed to by the parties. If after such notification additional funds are not allotted by the date identified in the Contractor's notification, or by an agreed substitute date, the Contracting Officer will terminate any item(s) for which additional funds have not been allotted, pursuant to the clause of this contract entitled "Termination for Convenience of the Government."

(d) When additional funds are allotted for continued performance of the contract line item(s) identified in paragraph (a) of this clause, the parties will agree as to the period of contract performance which will be covered by the funds. The provisions of paragraph (b) through (d) of this clause will apply in like manner to the additional allotted funds and agreed substitute date, and the contract will be modified accordingly.

(e) If, solely by reason of failure of the Government to allot additional funds, by the dates indicated below, in amounts sufficient for timely performance of the contract line item(s) identified in paragraph (a) of this clause, the Contractor incurs additional costs or is delayed in the performance of the work under this contract and if additional funds are allotted, an equitable adjustment will be made in the price or prices (including appropriate target, billing, and ceiling prices where applicable) of the item(s), or in the time of delivery, or both. Failure to agree to any such equitable adjustment hereunder will be a dispute concerning a question of fact within the meaning of the clause entitled "Disputes."

(f) The Government may at any time prior to termination allot additional funds for the performance of the contract line item(s) identified in paragraph (a) of this clause.

(g) The termination provisions of this clause do not limit the rights of the Government under the clause entitled "Default." The provisions of this clause are limited to the work and allotment of funds for the contract line item(s) set forth in paragraph (a) of this clause. This clause no longer applies once the contract is fully funded except with regard to the rights or obligations of the parties concerning equitable adjustments negotiated under paragraphs (d) or (e) of this clause.

(h) Nothing in this clause affects the right of the Government to terminate this contract pursuant to the clause of this contract entitled "Termination for Convenience of the Government."

(i) The parties contemplate that the Government will allot funds to this contract in accordance with the following schedule:

On execution of contract	$105,000.00
01 JAN 2000	$250,000.00
01 JAN 2001	$144,947.00

(End of clause)

SECTION H - SPECIAL CONTRACT REQUIREMENTS

1. ONR 5252.235-9714 REPORT PREPARATION (DEC 1988)

Scientific or technical reports prepared by the Contractor and deliverable under the terms of this contract will be prepared in accordance with format requirements contained in ANSI Z39.18, "Scientific and Technical Reports: Organization, Preparation and Production."

[NOTE: ANSI Z39.18 may be obtained from NISO Press Fulfillment Center, P.O. Box 338, Oxon Hill, MD 20750-0338. Telephone: 1-800-282-6476]

2. ONR 5252.210-9708 METRICATION REQUIREMENTS (DEC 1988)

(a) All scientific and technical reports delivered pursuant to the terms of this contract shall identify units of measurement in accordance with the International System of Units (SI) commonly referred to as the "Metric System". Conversion to U.S. customary units may also be given where additional clarity is deemed necessary. Guidance for application of the metric system is contained in the American Society of Testing Materials document entitled "Standard Practice for Use of the International System of Units (The Modernized Metric System)" (ASTM Designation E380-89A)

(b) This provision also applies to journal article preprints, reprints, commercially published books or chapters of books, theses or dissertations submitted in lieu of a scientific and/or technical report.

3. Invention Disclosures and Reports

The Contractor shall submit all invention disclosures and reports required by the Patent Rights clause of this contract to the Administrative Contracting Officer.

SECTION I - CONTRACT CLAUSES

Fixed Price R&D (Commercial) (JUL 1999)

* Applies when contract action exceeds $10,000.
** Applies when contract action exceeds $100,000.
\+ Applies when contract action exceeds $500,000.
++ Applies when contract action exceeds $500,000 and subcontracting possibilities exist.
Small Business Exempt
x (DD 250).

(A) FAR 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this address: http://www.arnet.gov/far/

I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES: -

**	FAR 52.202-1	Definitions (OCT 1995)
**	FAR 52.203-3	Gratuities (APR 1984)
	FAR 52.203-5	Covenant Against Contingent Fees (APR 1984)
**	FAR 52.203-6	Restrictions on Subcontractor Sales to the Government (JUL 1995)
	FAR 52.203-7	Anti-Kickback Procedures (JUL 1995)
**	FAR 52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity (JAN 1997)
**	FAR 52.203-10	Price or Fee Adjustment for Illegal or Improper Activity (JAN 1997)
**	FAR 52.203-12	Limitation on Payments to Influence Certain Federal Transactions (JUN 1997)
**	FAR 52.204-4	Printing/Copying Double-Sided on Recycled Paper (JUN 1996)
	FAR 52.211-15	Defense Priority and Allocation Requirements (SEP 1990)
	FAR 52.215-2	Audit and Records - Negotiation (JUN 1999) and Alternate II (APR 1998)
	FAR 52.215-8	Order of Precedence -Uniform Contract Format (OCT 1997)
+	FAR 52.215-10	Price Reduction for Defective Cost or Pricing Data (OCT 1997) (The provisions of this Clause have been waived by a joint Determination and Findings for the prime contractor only. The clause is applicable to subcontracts over $500,000).
+	FAR 52.215-12	Subcontractor Cost or Pricing Data (OCT 1997) (Applicable to subcontracts over $500,000 only)
	FAR 52.215-14	Integrity of Unit Prices (OCT 1997)
	FAR 52.215-14	Alternate I (OCT 1997) (Applicable if action contracted under Other Than Full and Open Competition)
	FAR 52.215-15	Pension Adjustments and Asset Reversions (DEC 1998)
	FAR 52.215-18	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other than Pensions (OCT 1997)

	FAR 52.215-19	Notification of Ownership Changes (OCT 1997) (Applicable when Cost or Pricing Data is required)
**	FAR 52.219-4	Notice of Price Evaluation Preference for HUBZone Small Business Concerns (JAN 1999)
* *	FAR 52.219-8	Utilization of Small Business Concerns (JAN 1999)
++	FAR 52.219-9	Small Business Subcontracting Plan (JAN 1999)
++	FAR 52.219-16	Liquidated Damages -- Subcontracting Plan (JAN 1999)
	FAR 52.222-1	Notice to the Government of Labor Disputes (FEB 1997)
	FAR 52.222-3	Convict Labor (AUG 1996) (Reserved when FAR 52.222-20 Walsh Healy Public Contracts Act, is applicable)
	FAR 52.222-4	Contract Work Hours and Safety Standards Act - Overtime Compensation (JUL 1995)
	FAR 52.222-26	Equal Opportunity (FEB 1999)
*	FAR 52.222-35	Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (APR 1998)
*	FAR 52.222-36	Affirmative Action for Workers with Disabilities (JUN 1998)
*	FAR 52.222-37	Employment Reports on Disabled Veterans and Veterans of the Vietnam Era (JAN 1999)
**	FAR 52.223-2	Clean Air and Water (APR 1984)
**	FAR 52.223-14	Toxic Chemical Release Reporting (OCT 1996)
	FAR 52.225-3	Buy American Act - Supplies (JAN 1994)
	FAR 52.225-11	Restrictions on Certain Foreign Purchases (AUG 1998)
	FAR 52.227-1	Authorization and Consent (JUL 1995) and Alternate 1 (APR 1984)
**	FAR 52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement (AUG 1996)
**	FAR 52.229-3	Federal State and Local Taxes (JAN 1991)
**	FAR 52.229-5	Taxes - Contracts Performed in U. S. Possessions or Puerto Rico (APR 1984)
	FAR 52.232-2	Payments under Fixed-Price Research and Development Contracts (APR 1984)
	FAR 52.232-9	Limitation on Withholding of Payments (APR 1984)
	FAR 52.232-17	Interest (JUN 1996) (not applicable to Nonprofit Organizations)
	FAR 52.232-23	Assignment of Claims (JAN 1986) and Alternate I (APR 1984)
	FAR 52.232-25	Prompt Payment (JUN 1997) (The words "the 30th day" are inserted in lieu of "the 7th day" in subdivision (a)(5)(I))
	FAR 52.232-33	Payment by Electronic Funds Transfer - Central Contractor Registration (MAY 1999)
	FAR 52.233-1	Disputes (DEC 1998)
	FAR 52.233-3	Protest After Award (AUG 1996)

**	FAR 52.242-13	Bankruptcy (JUL 1995)
	FAR 52.242-15	Stop Work Order (AUG 1989)
	FAR 52.243-1	Changes - Fixed Price (AUG 1987) and Alternate V (APR 1984)
**	FAR 52.244-2	Subcontracts (AUG 1998) and Alternate 1 (AUG 1998)
**	FAR 52.244-5	Competition in Subcontracting (DEC 1996)
	FAR 52.244-6	Subcontracts for Commercial Items and Commercial Components (OCT 1998)
	FAR 52.245-2	Government Property (Fixed-Price Contracts) (DEC 1989) and Alternate I (APR 1984) (As modified by DoD Class Deviation 98-00007 dated 30 June 1998)
	FAR 52.246-9	Inspection of Research and Development (Short Form)(APR 1984)
**	FAR 52.246-16	Responsibility for Supplies (APR 1984)
	FAR 52.247-63	Preference for U.S. Flag Air Carriers (JAN 1997)
	FAR 52.249-1	Termination for Convenience of the Government (Fixed Price) (Short Form) (APR 1984) (Applicable under $100,000)
**	FAR 52.249-9	Default (Fixed Price Research and Development) (APR 1984)
	FAR 52.253-1	Computer Generated Forms (JAN 1991)

II. DEPARTMENT OF DEFENSE FAR SUPPLEMENT (DFARS) (48 CFR CHAPTER 2) CLAUSES: -

	DFARS 252.203-7001	Special Prohibition on Employment (JUN 1997)
	DFARS 252.204-7003	Control of Government Personnel Work Product (APR 1992)
	DFARS 252.204-7004	Required Central Contractor Registration (MAR 1998)
**	DFARS 252.209-7000	Acquisition from Subcontractors Subject to On-Site Inspection under the Intermediate Range Nuclear Forces (INF) Treaty (NOV 1995)
+	DFARS 252.215-7000	Pricing Adjustments (DEC 1991)
++	DFARS 252.219-7003	Small, Small Disadvantaged and Women-owned Small Business Subcontracting Plan (DoD Contracts) (APR 1996)
	DFARS 252.225-7012	Preference for Certain Domestic Commodities (SEP 1997)
	DFARS 252.225-7031	Secondary Arab Boycott of Israel (JUN 1992)
	DFARS 252.227-7013	Rights in Technical Data -- Noncommercial Items (NOV 1995), and Alternate 1 (JUN 1995)
	DFARS 252.227-7014	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (JUN 1995)
	DFARS 252.227-7016	Rights in Bid or Proposal Information (JUN 1995)
	DFARS 252.227-7018	Rights in Noncommercial Technical Data and Computer Software -- Small Business Innovation Research (SBIR) Program (JUN 1995)

	DFARS 252.227-7019	Validation of Asserted Restrictions -- Computer Software (JUN 1995)
	DFARS 252.227-7025	Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends (JUN 1995)
	DFARS 252.227-7028	Technical Data or Computer Software Previously Delivered to the Government (JUN 1995)
	DFARS 252.227-7030	Technical Data - Withholding of Payment (OCT 1988)
	DFARS 252.227-7036	Certification of Technical Data Conformity (JAN 1997)
	DFARS 252.227-7037	Validation of Restrictive Markings on Technical Data (NOV 1995)
	DFARS 252.231-7000	Supplemental Cost Principles (DEC 1991)
	DFARS 252.232-7009	Payment by Electronic Funds Transfer (CCR) (JUN 1998)
	DFARS 252.235-7002	Animal Welfare (DEC 1991)
	DFARS 252.242-7000	Post-Award Conference (DEC 1991)
	DFARS 252.243-7001	Pricing of Contract Modifications (DEC 1991)
**	DFARS 252.243-7002	Requests for Equitable Adjustment (MAR 1998)
	DFARS 252.245-7001	Reports of Government Property (MAY 1994)
x	DFARS 252.246-7000	Material Inspection and Receiving Report (DEC 1991)

(B) ADDITIONAL FAR AND DFARS CLAUSES

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this address: http://www.arnet.gov/far/

	FAR 52.204-2	Security Requirements (AUG 1996) (Applicable if contract will generate or require access to classified information and DD Form 254, Contract Security Classification Specification, is issued to the Contractor)
X	FAR 52.209-6	Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (JUL 1995) (Applicable to contracts exceeding $25,000 in value)
X	FAR 52.215-17	Waiver of Facilities Capital Cost of Money (OCT 1997) (Applicable if the Contractor did not propose facilities capital cost of money in the offer)
	FAR 52.215-20	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data (OCT 1997) (Applicable if cost or pricing data or information other than cost or pricing data are required.)
	FAR 52.215-21	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data - Modifications (OCT 1997) (Applicable if cost or pricing data or information other than cost or pricing data will be required for modifications.)
	FAR 52.217-9	Option to Extend the Term of the Contract (MAR 1989) (In paragraph (a), insert " 0 ", and in paragraph (c), insert "0") (Applicable if contract contains a line item for options. Complete the spaces in parentheses)
	FAR 52.219-3	Notice of Total HUBZone Set-Aside (JAN 1999)

	FAR 52.219-5	Very Small Business Set-Aside (MAR 1999) (For actions between $2,500 and $50,000)
	FAR 52.219-6	Notice of Total Small Business Set-Aside (JUL 1996), and Alternate I (OCT 1995) (Applicable to total small business set-asides, including SBIR)
	FAR 52.219-25	Small Disadvantaged Business Participation Program - Disadvantaged Status and Reporting (JAN 1999) (Applicable if contract includes FAR 52.219-24)
	FAR 52.222-20	Walsh Healy Public Contracts Act (DEC 1996) (Applicable if the contract includes deliverable materials, supplies, articles or equipment in an amount that exceeds or may exceed $10,000)
	FAR 52.223-5	Pollution Prevention and Right-to-Know Information (APR 1998) (Applicable if contract provides for performance, in whole or in part, on a Federal facility.
X	FAR 52.223-6	Drug-Free Workplace (JAN 1997) (Applies when contract action exceeds $100,000 or at any value when the contract is awarded to an individual)
	FAR 52.226-1	Utilization of Indian Organizations and Indian-Owned Economic Enterprises (MAY 1999) (Applicable when FAR 52.219-9 Small Business Subcontracting Plan, applies)
	FAR 52.227-10	Filing of Patent Applications - Classified Subject Matter (APR 1984) (Applicable if contract is subject to FAR clause 52.204-02 and either 52.227-11 or 52.227-12)
X	FAR 52.227-11	Patent Rights - Retention by the Contractor (Short Form) (JUN 1997) (Applicable if contractor is a small business or nonprofit organization)
	FAR 52.227-12	Patent Rights - Retention by the Contractor (Long Form) (JAN 1997) (Applicable if contractor is a large business)
	FAR 52.230-2	Cost Accounting Standards (APR 1998) (Applicable when contract amount is over $500,000, if contractor is subject to full CAS coverage, as set forth in 48 CFR Chapter 99, Subpart 9903.201-2(a) (FAR Appendix B)
	FAR 52.230-3	Disclosure and Consistency of Cost Accounting Practices (APR 1998) (Applicable when contract amount is over $500,000 but less than $25 million, and the offeror certifies it is eligible for and elects to use modified CAS coverage as set forth in 48 CFR Chapter 99, Subpart 9903.201-2 (FAR Appendix B)
	FAR 52.230-6	Administration of Cost Accounting Standards (APR 1996) (Applicable if contract is subject to either clause at FAR 52.230-02 or the clause at FAR 52.230-03)
	FAR 52.239-1	Privacy or Security Safeguards (AUG 1996) (Applicable to contracts for information technology which require security of information technology, and/or are for the design, development, or operation of a system of records using commercial information technology services or support services)
	FAR 52.245-9	Use and Charges (APR 1984) (Deviation) (DoD Class Deviation 96-00007, dated 6 September 1996) (Applicable to contracts under which the Government will furnish property for the performance of the contract)
x	FAR 52.246-23	Limitation of Liability (FEB 1997) (Applicable if contract value is over $100,000 and contract requires delivery of end item that is not high

		value (FAR 46.805)
X	FAR 52.249-2	Termination for Convenience of the Government (Fixed Price) (SEP 1996) (Applicable instead of FAR 52.249-01 when contract amount exceeds $100,000)
	DFARS 252.203-7002	Display of DoD Hotline Poster (DEC 1991) (Applicable when contract action exceeds $5 million or when any modification increases contract amount to more than $5 million)
	DFARS 252.204-7000	Disclosure of Information (DEC 1991) (Applies when Contractor will have access to or generate unclassified information that may be sensitive and inappropriate for release to the public)
	DFARS 252.205-7000	Provision of Information to Cooperative Agreement Holders (DEC 1991) (Applicable only when contract action exceeds $500,000 or when any modification increases total contract amount to more than $500,000)
	DFARS 252.215-7002	Cost Estimating System Requirements (OCT 1998) (Applicable only to contract actions awarded on the basis of certified cost or pricing data)
	DFARS 252.223-7004	Drug-Free Work Force (SEP 1988) Applicable (a) if contract involves access to classified information; or (b) when the Contracting Officer determines that the clause is necessary for reasons of national security or for the purpose of protecting the health or safety of those using or affected by the product of, or performance of the contract.
	DFARS 252.223-7006	Prohibition on Storage and Disposal of Toxic and Hazardous Materials (APR 1993) (Applicable if work requires, may require, or permits contractor performance on a DoD installation)
	DFARS 252.225-7001	Buy American Act and Balance of Payments Program (MAR 1998) (Applicable if the contract includes deliverable supplies)
	DFARS 252.225-7002	Qualifying Country Sources as Subcontractors (DEC 1991) (Applicable when clause at DFARS 252.225-7001 applies)
	DFARS 252.225-7008	Supplies to be Accorded Duty-Free Entry (MAR 1998) (Applicable when clause at DFARS 252.225-7009 applies)
	DFARS 252.225-7009	Duty-Free Entry - Qualifying Country Supplies (End Products and Components) (MAR 1998) (Applicable if contract includes deliverable supplies)
	DFARS 252.225-7010	Duty-Free Entry - Additional Provisions (MAR 1998) (Applicable when clause at DFARS 252.225-7009 applies)
	DFARS 252.225-7016	Restriction on Acquisition of Ball and Roller Bearings (AUG 1998) (Applicable if contract includes deliverable supplies, unless Contracting Officer knows that items being acquired do not contain ball or roller bearings)
	DFARS 252.225-7026	Reporting of Contract Performance Outside the United States (MAR 1998) (Applicable only when contract value exceeds $500,000 or when any modification increases contract value to more than $500,000)
	DFARS 252.227-7013	Rights in Technical Data -- Noncommercial Items, Alternate I (NOV 1995) (ref: 227.7103-6(b))
X	DFARS 252.227-7034	Patents - Subcontracts (APR 1984) (Applicable when FAR 52.227-11 applies)
X	DFARS 252.227-7039	Patents - Reporting of Subject Inventions (APR 1990) (Applies when FAR 52.227-11 applies)

(C) **The following clause is applicable to contract actions with a value of $100,000 or more:**

DFARS 252.247-7023 TRANSPORTATION OF SUPPLIES BY SEA (NOV 1995)

(a) As used in this clause:

(1) "Components" means articles, materials, and supplies incorporated directly into end products at any level of manufacture, fabrication or assembly by the Contractor or any subcontractor.

(2) "Department of Defense" (DoD) means the Army, Navy, Air Force, Marine Corps, and Defense agencies.

(3) "Foreign flag vessel" means any vessel that is not a U.S.-flag vessel.

(4) "Ocean transportation" means any transportation aboard a ship, vessel, boat, barge, or ferry through international waters.

(5) "Subcontractor" means a supplier, materialman, distributor or vendor at any level below the prime contractor whose contractual obligation to perform results from, or is conditioned upon, award of the prime contract and who is performing any part of the work or other requirement of the prime contract. However, effective May 1, 1996, the term does not include a supplier, materialman, distributor or vendor of commercial items or commercial components.

(6) "Supplies" means all property, except land and interests in land, that is clearly identifiable for eventual use by or owned by the DoD at the time of transportation by sea.

(I) An item is clearly identifiable for eventual use by the DoD if, for example, the contract documentation contains a reference to a DoD contract number or a military destination.

(ii) "Supplies" includes (but is not limited to) public works; buildings and facilities; ships; floating equipment and vessels of every character, type and description, with parts, subassemblies, accessories and equipment; machine tools; material; equipment; stores of all kinds; end items; construction materials; and components of the foregoing.

(7) "U.S.-flag vessel" means a vessel of the United States or be longing to the United States, including any vessel registered or having national status under the laws of the United States.

(b) The Contractor shall employ United States-flag vessels in the transportation by sea of any supplies to be furnished in the performance of this contract. The Contractor and its subcontractors may request that the Contracting Officer authorize shipment in foreign-flag vessels, or designate U.S.-flag vessels, if the Contractor or a subcontractor believes that --

(1) U.S.-flag vessels are not available for timely shipment;

(2) The freight charges are inordinately excessive or unreasonable; or

(3) Freight charges are higher than charges to private persons for transportation of like goods.

(c) The Contractor must submit any request for use of other than U.S.-flag vessels in writing to the Contracting Officer at least 45 days prior to the sailing date necessary to meet its delivery schedules. The Contracting Officer will process requests submitted after such date(s) as expeditiously as possible, but the Contracting Officer's failure to grant approvals to meet the shipper's sailing date will not of itself constitute a compensable delay under this or any other clause of this contract. Requests shall contain at a minimum --

(1) Type, weight, and cube of cargo.

(2) Required shipping date.

(3) Special handling and discharge requirements.

(4) Loading and discharge points.

(5) Name of shipper and consignee.

(6) Prime contract number; and

(7) A documented description of efforts made to secure U.S.-flag vessels, including points of contact (with names and telephone numbers) of at least two (2) U.S.-flag carriers contacted. Copies of telephone notes, telegraphic and facsimile messages or letters will be sufficient for this purpose.

(d) The Contractor shall, within thirty (30) days after each shipment covered by this clause, provide the Contracting Officer and the Division of National Cargo, Office of Market Development, Maritime Administration, U.S. Department of Transportation, Washington, DC 20590, one copy of the rated on board vessel operating carrier's ocean-bill-of-lading, which shall contain the following information:

(1) Prime contract number;

(2) Name of vessel;

(3) Vessel flag of registry;

(4) Date of loading;

(5) Port of loading;

(6) Port of final discharge;

(7) Description of commodity;

(8) Gross weight in pounds and cubic feet if available;

(9) Total ocean freight in U.S. dollars; and

(10) Name of the steamship company.

(e) The Contractor agrees to provide with its final invoice under this contract a representation that to the best of its knowledge and belief:

(1) No ocean transportation was used in the performance of this contract;

(2) Ocean transportation was used and only United States-flag vessels were used for all ocean shipments under the contract.

(3) Ocean transportation was used, and the Contractor had the written consent of the Contracting Officer for all non-U.S.-flag ocean transportation; or

(4) Ocean transportation was used and some or all of the shipments were made on non-U.S.-flag vessels without the written consent of the Contracting Officer. The Contractor shall describe these shipments in the following format:

	ITEM DESCRIPTION	CONTRACT LINE ITEMS	QUANTITY
Total			

(f) If the final invoice does not include the required representation, the Government will reject it and return it to the Contractor as an improper invoice for the purposes of Prompt Payment clause of this contract. In the event there has been unauthorized use of non-U.S.-flag vessels in the performance of this contract, the Contracting Officer is entitled to equitably adjust the contract, based on the unauthorized use.

(g) The Contractor shall include this clause, including this paragraph (g), in all subcontracts under this contract, which exceed the simplified acquisition threshold in Par 13 of the Federal Acquisition Regulations.

(D) **The following clause is applicable when the Contractor has made a negative response to the inquiry in the representation at DFARS 252.247-7022 and the contract action is for $100,000 or more.**

DFARS 252.247-7024 NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA (NOV 1995)

(a) The Contractor has indicated by the response to the solicitation provision, Representation of Extent of Transportation by Sea, that it did not anticipate transporting by sea any supplies. If, however, after the award of this contract, the Contractor learns that supplies, as defined in the Transportation of Supplies by Sea clause of this contract, will be transported by sea, the Contractor --

(1) Shall notify the Contracting Officer of that fact; and

(2) Hereby agrees to comply with all the terms and conditions of the Transportation of Supplies by Sea clause of this contract.

(b) The Contractor shall include this clause, including this paragraph (b), revised as necessary to reflect the relationship of the contracting parties, in all subcontracts hereunder, except (effective May 1, 1996) subcontracts for the acquisition of commercial items or components

SECTION J - LIST OF ATTACHMENTS

1. Exhibit A, entitled, "Contract Data Requirements List 1 page, Attachment Number 1(CDRL) " Instructions for Distribution."

2. Exhibit B, entitled, "Financial Accounting Data Sheet."

SECTION K - REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS

1. The Contractor's Representations and Certifications, dated 17 JUN 1999 are hereby incorporated into this contract by reference.

CONTRACT DATA REQUIREMENTS LIST

Form Approved
OMB No. 0704-0188

Public reporting burden for this collection of information is estimated to average 440 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection or information, including suggestions for reducing this burden, to Washington Headquarters Services Directorate for information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget Paperwork Reduction Project (0704-0188), Washington, DC 20503.

A. CONTRACT LINE ITEM NO.	B. EXHIBIT	C. CATEGORY
0001AA THROUGH 0001AJ	A	TOP [ ] TM [ ] OTHER [X]

D. SYSTEM/ITEM	E. CONTRACT/PR NO.	F. CONTRACTOR
	N00014-99-C-0377	CREE

1. DATA ITEM NO.	2. TITLE OF DATA ITEM	3. SUBTITLE
48.13 A001	Progress Report	

4. AUTHORITY (Data Acquisition Document No.)	5. CONTRACT REFERENCE	6. REQUIRING OFFICE
	SECTION F	See Section F

7. DD 250 REQ	9. DIST STATEMENT REQUIRED	10. FREQUENCY	12. DATE OF FIRST SUBMISSION
LT*		*	*
8. APP CODE		11. AS OF DATE	13. DATE OF SUBSEQUENT SUBMISSION
		*	*

16. REMARKS

*** As required by the Program Officer, these reports, submitted IAW SECTION F. PARA. 1 SCHEDULE for the purpose of reporting progress, may be in the form of a letter report.**

14. DISTRIBUTION

ADDRESSEE	b. COPIES Draft	Final REQ	Final REPRO
See Section F . para f.			
See Enclosure Number 1			
15. TOTAL			

1. DATA ITEM NO.	2. TITLE OF DATA ITEM	3. SUBTITLE
A002	Final Report	

4. AUTHORITY (Data Acquisition Document No.)	5. CONTRACT REFERENCE	6. REQUIRING OFFICE
	SECTION F	See Section F

7. DD 250 REQ	9. DIST STATEMENT REQUIRED	10. FREQUENCY	12. DATE OF FIRST SUBMISSION
LT*		ONE/R	See Section F
8. APP CODE		11. AS OF DATE	13. DATE OF SUBSEQUENT SUBMISSION
		See Section F	

16. REMARKS

* DD250 required only for acceptance by the Program Officer designated in Section F. Information copies of this report shall be distributed in accordance with Enclosure Number 1.

14. DISTRIBUTION

ADDRESSEE	b. COPIES Draft	Final REQ	Final REPRO
See Section F . para f.			
See Enclosure Number 1			
15. TOTAL			

1. DATA ITEM NO.	2. TITLE OF DATA ITEM	3. SUBTITLE

4. AUTHORITY (Data Acquisition Document No.)	5. CONTRACT REFERENCE	6. REQUIRING OFFICE

7. DD 250 REQ	9. DIST STATEMENT REQUIRED	10. FREQUENCY	12. DATE OF FIRST SUBMISSION
8. APP CODE		11. AS OF DATE	13. DATE OF SUBSEQUENT SUBMISSION

16. REMARKS

14. DISTRIBUTION

ADDRESSEE	b. COPIES Draft	Final REQ	Final REPRO
15. TOTAL			

1. DATA ITEM NO.	2. TITLE OF DATA ITEM	3. SUBTITLE

4. AUTHORITY (Data Acquisition Document No.)	5. CONTRACT REFERENCE	6. REQUIRING OFFICE

7. DD 250 REQ	9. DIST STATEMENT REQUIRED	10. FREQUENCY	12. DATE OF FIRST SUBMISSION
8. APP CODE		11. AS OF DATE	13. DATE OF SUBSEQUENT SUBMISSION

16. REMARKS

14. DISTRIBUTION

ADDRESSEE	b. COPIES Draft	Final REQ	Final REPRO
15. TOTAL			

G. PREPARED BY	H. DATE	L. APPROVED BY	J. DATE
ONR 254	26 AUG 1999	ONR 254	26 AUG 1999

ATTACHMENT NUMBER 1
CONTRACT DATA REQUIREMENTS LIST
INSTRUCTIONS FOR DISTRIBUTION

DISTRIBUTION OF TECHNICAL REPORTS AND FINAL REPORT

The minimum distribution of technical reports and the final report submitted in connection with this contract is as follows:

ADDRESSEE	DODAAD CODE	NUMBER OF COPIES	
		UNCLASSIFIED/ UNLIMITED	UNCLASSIFIED/LIMITED AND CLASSIFIED
Program Officer	N00014	1	1
Administrative Contracting Officer*	HQ0338	1	1
Director, Naval Research Laboratory, ATTN: Code 5227	N00173	1	1
Defense Technical Information Center 8725 John J. Kingman Road STE 0944 Ft. Belvoir, VA 22060-6218	S47031	2	2

DISTRIBUTION OF PROGRESS REPORTS

The minimum distribution for progress reports is as follows:

ADDRESSEE	DODAAD CODE	NUMBER OF COPIES	
		UNCLASSIFIED/ UNLIMITED	UNCLASSIFIED/LIMITED AND CLASSIFIED
Program Officer	N00014	1	1
Administrative Contracting Officer*	HQO338	1	1

*Send only a copy of the transmittal letter to the Administrative Contracting Officer; do not send actual reports to the Administrative Contracting Officer.

FINANCIAL ACCOUNTING DATA SHEET - NAVY

1. CONTRACT NUMBER (CRITICAL)	2. SPIIN (CRITICAL)	3. MOD (CRITICAL)	4. PR NUMBER	PAGE 1 OF 1
N0001499C0377			99PR07572-00	

CLIN/SLIN	6. LINE OF ACCOUNTING A. ACRN (CRITICAL)	B. APPROPRIATION (CRITICAL)	C. SUBHEAD (CRITICAL)	D. OBJ CLA	E. PARM	F. RFM	G. SA	H. AAA (CRITICAL)	I. IT	J. PAA	K. COST CODE PROJ UNIT	MCC	PDLI & SUF	7. AMOUNT (CRITICAL)	NAVY INTERNAL USE ONLY REF DOC/ACRN
	AA	9790400	1304	255	RA	333	0	068342	2D	000000	R9Y10	000	A252	105,000.00	PR#99PR07572-00 FRC:A318
													PAGE TOTAL	$105,000.00	
													GRAND TOTAL	$105,000.00	

PREPARED/AUTHORIZED BY:

DATE:

COMPTROLLER APPROVAL:
FOR FIS
BY (b) (6) [redacted] for COMPTROLLER, ONR CONTRACT
REVIEWED
DATE: 22 Sep 99

FAD1

Contract Distribution Sheet

PR Number: 99PR07572-00
Contract Number: N00014-99-C-0377-
Specialist: RLD ONR: 254

Distribution Date: 9-22-99 Distributed By: (b) (6)

__ PCO, ONR Arlington (Original)

__ Contractor (Duplicate Original)
Short Contractor Code and Address:
CREE
CREE RESEARCH INC
4600 SILICON DRIVE
DURHAM, NC 27703

__ ACO
ACO MILSCAP Code & Address S1103A:
DCMC ATLANTA
805 WALKER STREET SUITE 1
MARIETTA, GA 30060-2789

__ Payment Office
DODAAD Code and Address HQ0338:
DFAS COLUMBUS CENTER DFAS CO SOUTH ENTITLEMENT OPERATIONS
PO BOX 182264
COLUMBUS, OH 43218-2264

__ ONR:
00CC11
Program Officer: George Campisi, ONR 334

9-21-99

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

CONTRACT ID CODE	PAGE OF PAGES
DO-C9 (U)	1 | 3

2. AMENDMENT/MODIFICATION NO.	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REG. NO.	5. PROJECT NO. *(If applicable)*
P00001	SEE BLOCK 16C	00PR06700-00/24 MAR 00	N.A.

6. ISSUED BY CODE N00014

OFFICE OF NAVAL RESEARCH
ONR 254 Russelle L. Dunson (703) 696-8375
BALLSTON TOWER CENTRE ONE
800 NORTH QUINCY STREET
ARLINGTON, VA 22217-5660

7. ADMINISTERED BY *(If other than Item 6)* CODE S1103A
SCD-C

DCMC ATLANTA
805 WALKER STREET SUITE 1
MARIETTA, GA 30060-2789

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and Zip Code)
CREE RESEARCH INC
4600 SILICON DRIVE
DURHAM, NC 27703

CODE 0C9J8 FACILITY CODE

(√)	
	9A. AMENDMENT OF SOLICITATION NO. N.A.
	9B. DATED (SEE ITEM 11)
√	10A. MODIFICATION OF CONTRACT/ORDER NO. N00014-99-C-0377
	10B. DATED (SEE ITEM 13) 21 SEP 99

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

[ ] The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers [ ] is extended [ ] is not extended

Offers must acknowledge receipt of this amendment prior to the hour and data specified in the solicitation or as amended, by one of the following methods: a) By completing items 8 and 15, and returning ___ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and data specified.

12. ACCOUNTING AND APPROPRIATION DATA *(If required)*
SEE ATTACHED FINANCIAL ACCOUNTING DATA SHEET(S)

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

(√)	
	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO *(Specify authority)* THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES *(such as changes in paying office, appropriation date, etc.)* SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: **N.A.** **AUTHORITY FOR OTHER THAN FULL AND OPEN COMPETITION:**
X	D. OTHER *(Specify type of modification and authority)* Limitation of Funds Clause

E. IMPORTANT: Contractor [X] is not, [ ] is required to sign this document and return ___ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION *(Organized by UCF section headings, including solicitation/contract subject matter where feasible.)*

The purpose of this modification is to provide for the final increment of funding under Contract Number N00014-99-C-0377. Accordingly, the funding cited on the attached Financial Accounting Data Sheet(s) is/are made available.

Effective as of the date of this Modification:

1. In Section G, the paragraph 5 entitled "DFARS 252.232-7007 Limitation of Government's Obligation (AUG 1993)" is deleted in its entirety

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

15A. NAME AND TITLE OF SIGNER *(Type or print)*		16A. NAME AND TITLE OF CONTRACTING OFFICER *(Type or print)* (b) (6) [redacted]	
15B. CONTRACTOR/OFFEROR *(Signature of person authorized to sign)*	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA By: (b) (6) [redacted] *(Signature of Contracting Officer)*	16C. DATE SIGNED 3-28-00

FINANCIAL ACCOUNTING DATA SHEET - NAVY

1.CONTRACT NUMBER *(CRITICAL)*	2.SPIIN *(CRITICAL)*	3.MOD *(CRITICAL)*	4.PR NUMBER	PAGE 1 OF 1
N0001499C0377		P00001	00PR06700-00	

CLIN/SLIN	6.LINE OF ACCOUNTING A. ACRN *(CRITICAL)*	B. APPROPRIATION *(CRITICAL)*	C. SUBHEAD *(CRITICAL)*	D. OBJ CLA	E. PARM	F. RFM	G. SA	H. AAA (CRITICAL)	I. IT	J. PAA	K. COST CODE PROJ UNIT	MCC	PDLI & SUF	7. AMOUNT (CRITICAL)	NAVY INTERNAL USE ONLY REF DOC/ACRN
	AB	9700400	1304	255	RA	333	0	068342	2D	000000	R0Y10	000	A252	100,000.00	PR#00PR06700-00 FRC:A308
													PAGE TOTAL	$100,000.00	
													GRAND TOTAL	$100,000.00	

PREPARED/AUTHORIZED BY:

DATE:

COMPTROLLER APPROVAL:
FOR FISCAL DATA AND SIGNATURE
BY (b) (6) [redacted] for COMPTROLLER, ONR CONTRACT
REVIEWED
DATE: 9.22.00

FAD1

FINANCIAL ACCOUNTING DATA SHEET - NAVY

1.CONTRACT NUMBER *(CRITICAL)*	2.SPIIN *(CRITICAL)*	3.MOD *(CRITICAL)*	4.PR NUMBER	PAGE 1 OF 1
N0001499C0377		P00001	00PR06700-01	

CLIN/SLIN	6.LINE OF ACCOUNTING A. ACRN *(CRITICAL)*	B. APPROPRIATION *(CRITICAL)*	C. SUBHEAD *(CRITICAL)*	D. OBJ CLA	E. PARM	F. RFM	G. SA	H. AAA (CRITICAL)	I. IT	J. PAA	K. COST CODE PROJ UNIT	MCC	PDLI & SUF	7. AMOUNT (CRITICAL)	NAVY INTERNAL USE ONLY REF DOC/ACRN
	AB	9700400	1304	255	RA	333	0	068342	2D	000000	R0Y10	000	A252	294,947.00	PR#00PR06700-01 FRC:A308
													PAGE TOTAL	$294,947.00	
													GRAND TOTAL	$294,947.00	

PREPARED/AUTHORIZED BY:

DATE:

COMPTROLLER APPROVAL:
FOR FISCAL DATA AND SIGNATURE
BY (b) (6) [redacted] for COMPTROLLER, ONR CONTRACT
REVIEWED
DATE: 9/25/00

FAD1

Contract Distribution Sheet

PR Number: 00PR06700-00
Contract Number: N00014-99-C-0377-/P00001
Specialist: RLD ONR: 254

Distribution Date: 3-30-2000 Distributed By: (b) (6)

__ PCO, ONR Arlington (Original)

__ Contractor (Duplicate Original)
Short Contractor Code and Address:
CREE
CREE RESEARCH INC
4600 SILICON DRIVE
DURHAM, NC 27703

__ ACO
ACO MILSCAP Code & Address S1103A:
DCMC ATLANTA
805 WALKER STREET SUITE 1
MARIETTA, GA 30060-2789

__ Payment Office
DODAAD Code and Address HQ0338:
DFAS COLUMBUS CENTER DFAS CO SOUTH ENTITLEMENT OPERATIONS
PO BOX 182264
COLUMBUS, OH 43218-2264

__ ONR:
00CC11
Program Officer: George Campisi, ONR 334

TABLE OF CONTENTS

Master Contract File

Page 1	**Contract and Modifications (including DD 254 if applicable)** **Close-out documentation** **Memo cross-referencing RFP file (KEEP ON TOP)**
Page 2	**Correspondence (chronologically filed with oldest on bottom)**
Page 3	**(listed from bottom up)** **Contract Distribution Document** **Route Sheet with legal comments attached** **DD 350** **Checklist** **Award Synopsis**
Page 4	**(listed from bottom up)** **Small Business Coordination Record (DD 2579)** **Initial Synopsis** **Copy of BAA that appeared in CBD** **One signed copy of proposal** **EEO approval** **Auditor's written verification of rates or Audit Report** **Fiscal approval memo of CAAS funds** **Requirement Determination for Contract Support Services** **Non-personal Services Determination** **Method of Contracting D&F** **File Documentation for Procurement Integrity** **Equipment Determination** **ADP Approval** **J&A** **Precontract Cost Letter** **Original Subcontracting Plan** **CHINFO Memo** **Certificate of current cost or pricing data** **Contractor's certifications and representations** **Weighted guidelines** **Clearance and budgets** **One copy of PR**

NOTE: PLEASE KEEP ON TOP OF PAGE 1 OF CONTRACT FOLDER

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			CONTRACT ID CODE DO-C9 (U)	PAGE OF PAGES 1 | 3
2. AMENDMENT/MODIFICATION NO. P00001	3. EFFECTIVE DATE SEE BLOCK 16C	4. REQUISITION/PURCHASE REG. NO. 00PR06700-00/24 MAR 00	5. PROJECT NO. *(If applicable)* N.A.	
6. ISSUED BY CODE N00014 OFFICE OF NAVAL RESEARCH ONR 254 Russelle L. Dunson (703) 696-8375 BALLSTON TOWER CENTRE ONE 800 NORTH QUINCY STREET ARLINGTON, VA 22217-5660		7. ADMINISTERED BY *(If other than Item 6)* CODE S1103A SCD-C DCMC ATLANTA 805 WALKER STREET SUITE 1 MARIETTA, GA 30060-2789		

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and Zip Code)			
CREE RESEARCH INC 4600 SILICON DRIVE DURHAM, NC 27703		(√)	9A. AMENDMENT OF SOLICITATION NO. N.A.
			9B. DATED (SEE ITEM 11)
		√	10A. MODIFICATION OF CONTRACT/ORDER NO. N00014-99-C-0377
CODE 0C9J8	FACILITY CODE		10B. DATED (SEE ITEM 13) 21 SEP 99

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

[ ] The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers [ ] is extended [ ] is not extended

Offers must acknowledge receipt of this amendment prior to the hour and data specified in the solicitation or as amended, by one of the following methods: a) By completing items 8 and 15, and returning ___ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and data specified.

12. ACCOUNTING AND APPROPRIATION DATA *(If required)*

SEE ATTACHED FINANCIAL ACCOUNTING DATA SHEET(S)

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

(√)	
	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO *(Specify authority)* THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES *(such as changes in paying office, appropriation date, etc.)* SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: **N.A.** **AUTHORITY FOR OTHER THAN FULL AND OPEN COMPETITION:**
X	D. OTHER *(Specify type of modification and authority)* Limitation of Funds Clause

E. IMPORTANT: Contractor [X] is not, [ ] is required to sign this document and return ___ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION *(Organized by UCF section headings, including solicitation/contract subject matter where feasible.)*

The purpose of this modification is to provide for the final increment of funding under Contract Number N00014-99-C-0377. Accordingly, the funding cited on the attached Financial Accounting Data Sheet(s) is/are made available.

Effective as of the date of this Modification:

1. In Section G, the paragraph 5 entitled "DFARS 252.232-7007 Limitation of Government's Obligation (AUG 1993)" is deleted in its entirety

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

15A. NAME AND TITLE OF SIGNER *(Type or print)*		16A. NAME AND TITLE OF CONTRACTING OFFICER *(Type or print)* (b) (6) [redacted]	
15B. CONTRACTOR/OFFEROR *(Signature of person authorized to sign)*	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA By: (b) (6) [redacted] *(Signature of Contracting Officer)*	16C. DATE SIGNED 3-28-00

FINANCIAL ACCOUNTING DATA SHEET - NAVY

1.CONTRACT NUMBER (CRITICAL)	2.SPIIN (CRITICAL)	3.MOD (CRITICAL)	4.PR NUMBER	PAGE 1 OF 1
N0001499C0377		P00001	00PR06700-00	

CLIN/SLIN	6.LINE OF ACCOUNTING A. ACRN (CRITICAL)	B. APPROPRIATION (CRITICAL)	C. SUBHEAD (CRITICAL)	D. OBJ CLA	E. PARM	F. RFM	G. SA	H. AAA (CRITICAL)	I. IT	J. PAA	K. COST CODE PROJ UNIT	MCC	PDLI & SUF	7. AMOUNT (CRITICAL)	NAVY INTERNAL USE ONLY REF DOC/ACRN
	AB	9700400	1304	255	RA	333	0	068342	2D	000000	R0Y10	000	A252	100,000.00	PR#00PR06700-00 FRC:A308
													PAGE TOTAL	$100,000.00	
													GRAND TOTAL	$100,000.00	

PREPARED/AUTHORIZED BY:

DATE:

COMPTROLLER APPROVAL:
FOR FISCAL DATA AND SIGNATURE
BY J (b) (6) [redacted] for COMPTROLLER, ONR CONTRACT
REV
DATE: 12/19/00

FAD1

FINANCIAL ACCOUNTING DATA SHEET - NAVY

1.CONTRACT NUMBER (CRITICAL)	2.SPIIN (CRITICAL)	3.MOD (CRITICAL)	4.PR NUMBER	PAGE 1 OF 1
N0001499C0377		P00001	00PR06700-01	

CLIN/SLIN	6.LINE OF ACCOUNTING A. ACRN (CRITICAL)	B. APPROPRIATION (CRITICAL)	C. SUBHEAD (CRITICAL)	D. OBJ CLA	E. PARM	F. RFM	G. SA	H. AAA (CRITICAL)	I. IT	J. PAA	K. COST CODE PROJ UNIT	MCC	PDLI & SUF	7. AMOUNT (CRITICAL)	NAVY INTERNAL USE ONLY REF DOC/ACRN
	AB	9700400	1304	255	RA	333	0	068342	2D	000000	R0Y10	000	A252	294,947.00	PR#00PR06700-01 FRC:A308

PAGE TOTAL	$294,947.00
GRAND TOTAL	$294,947.00

PREPARED/AUTHORIZED BY:

DATE:

COMPTROLLER APPROVAL:
FOR FISCAL DATA AND SIGNATURE
BY (b) (6) [redacted] for COMPTROLLER, ONR CONTRACT
RE
DATE: 9/27/00

FAD1

AWARD/CONTRACT	1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350)	RATING DO-C9 (J)	PAGE 1	OF PAGES 15

2. CONTRACT (Proc. Inst. Ident.) No.	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQUEST/PROJECT NO.
N00014-99-C-0377	SEE BLOCK 20C	SEE BLOCK 14.

5. ISSUED BY	CODE N00014	6. ADMINISTERED BY (If other than item)	CODE SO514A
OFFICE OF NAVAL RESEARCH ONR 254 RUSSELLE DUNSON (703) 696-8375 BALLSTON TOWER ONE 800 NORTH QUINCY STREET ARLINGTON, VA 22217-5660		SCD-C DCMC - ATLANTA 805 WALKER STREET, SUITE 1 MARIETTA, GA 30060-2789	

7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, State and ZIP Code.)	8. DELIVERY
CREE Research, Inc. 4600 SILICON DRIVE DURHAM NC 27703	See SECTION F of Schedule ☐ FOB ORIGIN ☐ OTHER (See below)
	9. DISCOUNT FOR PROMPT PAYMENT N.A.
	10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN — ITEM SEE SECTION G. PAR. 1
CODE 0C9J8	FACILITY CODE

11. SHIP TO/MARK FOR	CODE N00014	12. PAYMENT WILL BE MADE BY	CODE HQ0339
SEE SECTION - F DELIVERIES OR PERFORMANCE		DFAS COLUMBUS CENTER DFAS CO -SOUTH ENTITLEMENT OPERATIONS P.O. BOX 182264 COLUMBUS OH 43218-2264	

13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION:	14. ACCOUNTING AND APPROPRIATION DATA
☐ 10 U.S.C. 2304(c)(N/A) ☐ 41 U.S.C. 253(c)( )	See Attached Financial Accounting Data Sheet(s)

15A. ITEM NO.	15B. SUPPLIES/SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT
	See SECTION B of Schedule				
				15G. TOTAL AMOUNT OF CONTRACT	$ See SECTION B of Schedule

16. TABLE OF CONTENTS

(✓)	SEC	DESCRIPTION	PAGE(S)	(✓)	SEC	DESCRIPTION	PAGE(S)
		PART I -- THE SCHEDULE				PART II - CONTRACT CLAUSES	
✓	A	SOLICITATION/CONTRACT FORM	1	✓	I	CONTRACT CLAUSES	7
✓	B	SUPPLIES OR SERVICES AND PRICES/COSTS	2			PART III -- LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH.	
✓	C	DESCRIPTION/SPECS./WORK STATEMENT	2	✓	J	LIST OF ATTACHMENTS	15
✓	D	PACKAGING AND MARKING	2			PART IV - REPRESENTATIONS AND INSTRUCTIONS	
✓	E	INSPECTION AND ACCEPTANCE	2		K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	15
✓	F	DELIVERIES OR PERFORMANCE	3				
✓	G	CONTRACT ADMINISTRATION DATA	3		L	INSTRS., CONDS., AND NOTICES TO OFFERORS	
✓	H	SPECIAL CONTRACT REQUIREMENTS	6		M	EVALUATION FACTORS FOR AWARD	

CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. [X] CONTRACTOR'S NEGOTIATED AGREEMENT (*Contractor is required to sign this document and return _2_ 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. [ ] 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
John W. Palmour, Director of Advanced Devices	(b) (6) [redacted]
19B. NAME OF CONTRACTOR BY (b) (6) [redacted]	19C. DATE SIGNED 9/8/99
20B. UNITED STATES OF AMERICA BY (b) (6) [redacted] (Signature of Contracting Officer)	20C. DATE SIGNED 9-21-99

SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS

ITEM NO.	SUPPLIES/SERVICES	PRICES
0001	The Contractor shall furnish the necessary personnel and facilities to conduct the work described in Section C.	NSP
0001AA	Progress Reports and Data in accordance with Exhibit A.	$50,000.00
0001AB	Progress Reports and Data in accordance with Exhibit A.	$50,000.00
0001AC	Progress Reports/(6) Packaged Solid State Switches" deliverable as per schedule and Data in accordance with Exhibit A.	$50,000.00
0001AD	Progress Reports (6) Packaged Solid State Switches" deliverable as per schedule and Data in accordance with Exhibit A.	$50,000.00
0001AE	Progress Reports (6) Packaged Solid State Switches" deliverable as per schedule and Data in accordance with Exhibit A.	$50,000.00
0001AF	Progress Reports (6) Packaged Solid State Switches" deliverable as per schedule and Data in accordance with Exhibit A.	$50,000.00
0001AG	Progress Reports and Data in accordance with Exhibit A.	$50,000.00
0001AH	Progress Reports (6) Packaged Solid State Switches" deliverable as per schedule and Data in accordance with Exhibit A.	$50,000.00
0001AJ	Final Reports and Data in accordance with Exhibit A.	$99,947.00

TOTAL FIRM FIXED PRICE: $499,947.00

SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

1. The work and services to be performed hereunder shall be subject to the requirements and standards contained in Exhibit A and the following paragraph(s).

2. The Contractor shall conduct the work in accordance with Section 3 of its proposal entitled "Manufacturable High Power Sic Switches" dated 03 JUN 1999. Section 3 of the proposal, entitled "Statement of Work, Schedule and Deliverables," pages 5-6 is incorporated herein by reference.

SECTION D - PACKAGING AND MARKING

Preservation, packaging, packing and marking of all deliverable contract line items shall conform to normal commercial packing standards to assure safe delivery at destination.

SECTION E - INSPECTION AND ACCEPTANCE

Inspection and acceptance of the final delivery under this contract will be accomplished on behalf of the Contracting Officer by the Program Officer identified in Section G of this contract, at the address stated in Section F of this contract, who shall have thirty (30) days after delivery for acceptance.

SECTION F - DELIVERIES OR PERFORMANCE

1. The work and services to be accomplished under Line Item 0001 shall be completed no later than 30 AUG 2001. Subline Items shall be delivered in accordance with the following:

Base	
CLIN/SLIN	Delivery Date
0001AA	30 OCT 1999
0001AB	30 DEC 1999
0001AC	30 MAR 2000
0001AD	30 JUN 2000
0001AE	30 SEP 2000
0001AF	30 JAN 2001
0001AG	30 MAR 2001
0001AH	30 MAY 2001
0001AJ	30 AUG 2001

2. Distribution of all items deliverable under this contract shall be F.O.B. Destination and made in accordance with Attachment Number 1, "Contract Data Requirements List - Instructions for Distribution." **Reports and all Switches** deliverable to the Program Officer shall be consigned to:

Program Officer
Office of Naval Research
Ballston Tower One
800 North Quincy Street
Arlington, Virginia 22217-5660
Attn: George Campisi
Ref: Contract N00014-99C-0377

SECTION G - CONTRACT ADMINISTRATION DATA

1. NAPS 5252.232-9000 SUBMISSION OF INVOICES (FIXED PRICE) (JUL 1992)

(a) "Invoice" as used in this clause does not include contractor's requests for progress payments.

(b) The contractor shall submit original invoices with 4 copies to the address identified in the solicitation/contract award form (SF 26-Block 10; SF 33-Block 23; SF 1447-Block 14), unless delivery orders are applicable, in which case invoices will be segregated by individual order and submitted to the address specified in the order (DD 1155-Block 13 or SF 26-Block 10).

(c) The use of copies of the Material Inspection and Receiving Report (MIRR), DD Form 250, as an invoice is encouraged. DFARS Appendix F-306 provides instructions for such use. Copies of the MIRR used as an invoice are in addition to the standard distribution stated in DFARS F-401.

(d) In addition to the requirements of the Prompt Payment clause of this contract, the contractor shall cite on each invoice the contract line item number (CLIN); the contract subline item number (SLIN), if applicable; the accounting classification reference number (ACRN) as identified on the financial accounting data sheets, and the payment terms.

(e) The contractor shall prepare:

_____ a separate invoice for each activity designated to receive the supplies or services.

_____ a consolidated invoice covering all shipments delivered under an individual order.

x_____ either of the above.

(f) If acceptance is at origin, the contractor shall submit the MIRR or other acceptance verification directly to the designated payment office. If acceptance is at destination, the consignee will forward acceptance verification to the designated payment office.

2. Acceptance of Deliverables and Payment

Upon acceptance of deliverables under this contract, the Program Officer will complete the DD Form 250 furnished by the Contractor and forward it to the Payment Office designated in Block 12 of the Standard Form 26 of this contract, returning a copy to the Contractor.

3. Instruction to the Contractor

The Contractor is advised to direct all inquiries concerning administration of this contract to the Administrative Contracting Officer designated in Block 6 of the Standard Form 26 of this contract.

4. Procuring Office Representatives

In order to expedite administration of this contract, the Administrative Contracting Officer should direct inquiries to the appropriate office listed below. Please do not direct routine inquiries to the person listed in Item 20A on Standard Form 26.

Contract Negotiator -Russelle Dunson , ONR 254 , (703) -696-8375 , DSN 426-8375, E-Mail Address dunsonr@ONR.NAVY.MIL

Program Officer (Inspection and Acceptance; authority for approval of hours expended) -George Campisi, ONR 334 , (703) 696-7739, DSN 426-7739

Security Matters - Ms. Jennifer Ramsey, ONR 93, (703) 696-4618, DSN 426-4618

Patent Matters - Mr. Tom McDonnell, ONR 00CC, (703) 696-4000, DSN 426-4000.

The Administrative Contracting Officer will forward invention disclosures and reports directly to Corporate Counsel (Code 00CC), Office of Naval Research, Department of the Navy, Arlington, Virginia 22217-5660. The Corporate Counsel will return the reports along with a recommendation to the Administrative Contracting Officer. The Corporate Counsel will represent the Contracting Officer with regard to invention reporting matters arising under this contract.

5. DFARS 252.232-7007 LIMITATION OF GOVERNMENT'S OBLIGATION (AUG 1993)

(a) Contract line item(s)0001AA through 0001AJ are incrementally funded. For these item(s), the sum of $105,000.00 of the total price is presently available for payment and allotted to this contract. An allotment schedule is set forth in paragraph (i) of this clause.

(b) For item(s) identified in paragraph (a) of this clause, the Contractor agrees to perform up to the point at which the total amount payable by the Government, including reimbursement in the event of termination of those item(s) for the Government's convenience, approximates the total amount currently allotted to the contract. The Contractor will not be obligated to continue work on those item(s) beyond that point. The Government will not be obligated in any event to reimburse the Contractor in excess of the amount allotted to the contract for those item(s) regardless of anything to the contrary in the clause entitled "Termination for Convenience of the Government." As used in this clause, the total amount payable by the Government in the event of termination of applicable contract line item(s) for convenience includes costs, profit, and estimated termination settlement costs for those item(s).

(c) Notwithstanding the dates specified in the allotment schedule in paragraph (i) of this clause, the Contractor will notify the Contracting Officer in writing at least ninety days prior to the date when, in

the Contractor's best judgment, the work will reach the point at which the total amount payable by the Government, including any cost for termination for convenience, will approximate 85 percent of the total amount then allotted to the contract for performance of the applicable item(s). The notification will state (1) the estimated date when that point will be reached and (2) an estimate of additional funding, if any, needed to continue performance of applicable line items up to the next scheduled date for allotment of funds identified in paragraph (i) of this clause, or to a mutually agreed upon substitute date. The notification will also advise the Contracting Officer of the estimated amount of additional funds that will be required for the timely performance of the item(s) funded pursuant to this clause, for a subsequent period as may be specified in the allotment schedule in paragraph (i) of this clause, or otherwise agreed to by the parties. If after such notification additional funds are not allotted by the date identified in the Contractor's notification, or by an agreed substitute date, the Contracting Officer will terminate any item(s) for which additional funds have not been allotted, pursuant to the clause of this contract entitled "Termination for Convenience of the Government."

(d) When additional funds are allotted for continued performance of the contract line item(s) identified in paragraph (a) of this clause, the parties will agree as to the period of contract performance which will be covered by the funds. The provisions of paragraph (b) through (d) of this clause will apply in like manner to the additional allotted funds and agreed substitute date, and the contract will be modified accordingly.

(e) If, solely by reason of failure of the Government to allot additional funds, by the dates indicated below, in amounts sufficient for timely performance of the contract line item(s) identified in paragraph (a) of this clause, the Contractor incurs additional costs or is delayed in the performance of the work under this contract and if additional funds are allotted, an equitable adjustment will be made in the price or prices (including appropriate target, billing, and ceiling prices where applicable) of the item(s), or in the time of delivery, or both. Failure to agree to any such equitable adjustment hereunder will be a dispute concerning a question of fact within the meaning of the clause entitled "Disputes."

(f) The Government may at any time prior to termination allot additional funds for the performance of the contract line item(s) identified in paragraph (a) of this clause.

(g) The termination provisions of this clause do not limit the rights of the Government under the clause entitled "Default." The provisions of this clause are limited to the work and allotment of funds for the contract line item(s) set forth in paragraph (a) of this clause. This clause no longer applies once the contract is fully funded except with regard to the rights or obligations of the parties concerning equitable adjustments negotiated under paragraphs (d) or (e) of this clause.

(h) Nothing in this clause affects the right of the Government to terminate this contract pursuant to the clause of this contract entitled "Termination for Convenience of the Government."

(i) The parties contemplate that the Government will allot funds to this contract in accordance with the following schedule:

On execution of contract	$105,000.00
01 JAN 2000	$250,000.00
01 JAN 2001	$144,947.00

(End of clause)

SECTION H - SPECIAL CONTRACT REQUIREMENTS

1. ONR 5252.235-9714 REPORT PREPARATION (DEC 1988)

Scientific or technical reports prepared by the Contractor and deliverable under the terms of this contract will be prepared in accordance with format requirements contained in ANSI Z39.18, "Scientific and Technical Reports: Organization, Preparation and Production."

[NOTE: ANSI Z39.18 may be obtained from NISO Press Fulfillment Center, P.O. Box 338, Oxon Hill, MD 20750-0338. Telephone: 1-800-282-6476]

2. ONR 5252.210-9708 METRICATION REQUIREMENTS (DEC 1988)

(a) All scientific and technical reports delivered pursuant to the terms of this contract shall identify units of measurement in accordance with the International System of Units (SI) commonly referred to as the "Metric System". Conversion to U.S. customary units may also be given where additional clarity is deemed necessary. Guidance for application of the metric system is contained in the American Society of Testing Materials document entitled "Standard Practice for Use of the International System of Units (The Modernized Metric System)" (ASTM Designation E380-89A)

(b) This provision also applies to journal article preprints, reprints, commercially published books or chapters of books, theses or dissertations submitted in lieu of a scientific and/or technical report.

3. Invention Disclosures and Reports

The Contractor shall submit all invention disclosures and reports required by the Patent Rights clause of this contract to the Administrative Contracting Officer.

SECTION I - CONTRACT CLAUSES

Fixed Price R&D (Commercial) (JUL 1999)

* Applies when contract action exceeds $10,000.
** Applies when contract action exceeds $100,000.
\+ Applies when contract action exceeds $500,000.
++ Applies when contract action exceeds $500,000 and subcontracting possibilities exist.
Small Business Exempt
x (DD 250).

(A) FAR 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this address: http://www.arnet.gov/far/

I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES: -

**	FAR 52.202-1	Definitions (OCT 1995)
**	FAR 52.203-3	Gratuities (APR 1984)
	FAR 52.203-5	Covenant Against Contingent Fees (APR 1984)
**	FAR 52.203-6	Restrictions on Subcontractor Sales to the Government (JUL 1995)
	FAR 52.203-7	Anti-Kickback Procedures (JUL 1995)
**	FAR 52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity (JAN 1997)
**	FAR 52.203-10	Price or Fee Adjustment for Illegal or Improper Activity (JAN 1997)
**	FAR 52.203-12	Limitation on Payments to Influence Certain Federal Transactions (JUN 1997)
**	FAR 52.204-4	Printing/Copying Double-Sided on Recycled Paper (JUN 1996)
	FAR 52.211-15	Defense Priority and Allocation Requirements (SEP 1990)
	FAR 52.215-2	Audit and Records - Negotiation (JUN 1999) and Alternate II (APR 1998)
	FAR 52.215-8	Order of Precedence -Uniform Contract Format (OCT 1997)
+	FAR 52.215-10	Price Reduction for Defective Cost or Pricing Data (OCT 1997) (The provisions of this Clause have been waived by a joint Determination and Findings for the prime contractor only. The clause is applicable to subcontracts over $500,000).
+	FAR 52.215-12	Subcontractor Cost or Pricing Data (OCT 1997) (Applicable to subcontracts over $500,000 only)
	FAR 52.215-14	Integrity of Unit Prices (OCT 1997)
	FAR 52.215-14	Alternate I (OCT 1997) (Applicable if action contracted under Other Than Full and Open Competition)
	FAR 52.215-15	Pension Adjustments and Asset Reversions (DEC 1998)
	FAR 52.215-18	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other than Pensions (OCT 1997)

	FAR 52.215-19	Notification of Ownership Changes (OCT 1997) (Applicable when Cost or Pricing Data is required)
**	FAR 52.219-4	Notice of Price Evaluation Preference for HUBZone Small Business Concerns (JAN 1999)
* *	FAR 52.219-8	Utilization of Small Business Concerns (JAN 1999)
++	FAR 52.219-9	Small Business Subcontracting Plan (JAN 1999)
++	FAR 52.219-16	Liquidated Damages -- Subcontracting Plan (JAN 1999)
	FAR 52.222-1	Notice to the Government of Labor Disputes (FEB 1997)
	FAR 52.222-3	Convict Labor (AUG 1996) (Reserved when FAR 52.222-20 Walsh Healy Public Contracts Act, is applicable)
	FAR 52.222-4	Contract Work Hours and Safety Standards Act - Overtime Compensation (JUL 1995)
	FAR 52.222-26	Equal Opportunity (FEB 1999)
*	FAR 52.222-35	Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (APR 1998)
*	FAR 52.222-36	Affirmative Action for Workers with Disabilities (JUN 1998)
*	FAR 52.222-37	Employment Reports on Disabled Veterans and Veterans of the Vietnam Era (JAN 1999)
**	FAR 52.223-2	Clean Air and Water (APR 1984)
**	FAR 52.223-14	Toxic Chemical Release Reporting (OCT 1996)
	FAR 52.225-3	Buy American Act - Supplies (JAN 1994)
	FAR 52.225-11	Restrictions on Certain Foreign Purchases (AUG 1998)
	FAR 52.227-1	Authorization and Consent (JUL 1995) and Alternate 1 (APR 1984)
**	FAR 52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement (AUG 1996)
**	FAR 52.229-3	Federal State and Local Taxes (JAN 1991)
**	FAR 52.229-5	Taxes - Contracts Performed in U. S. Possessions or Puerto Rico (APR 1984)
	FAR 52.232-2	Payments under Fixed-Price Research and Development Contracts (APR 1984)
	FAR 52.232-9	Limitation on Withholding of Payments (APR 1984)
	FAR 52.232-17	Interest (JUN 1996) (not applicable to Nonprofit Organizations)
	FAR 52.232-23	Assignment of Claims (JAN 1986) and Alternate I (APR 1984)
	FAR 52.232-25	Prompt Payment (JUN 1997) (The words "the 30th day" are inserted in lieu of "the 7th day" in subdivision (a)(5)(I))
	FAR 52.232-33	Payment by Electronic Funds Transfer - Central Contractor Registration (MAY 1999)
	FAR 52.233-1	Disputes (DEC 1998)
	FAR 52.233-3	Protest After Award (AUG 1996)

**	FAR 52.242-13	Bankruptcy (JUL 1995)
	FAR 52.242-15	Stop Work Order (AUG 1989)
	FAR 52.243-1	Changes - Fixed Price (AUG 1987) and Alternate V (APR 1984)
**	FAR 52.244-2	Subcontracts (AUG 1998) and Alternate 1 (AUG 1998)
**	FAR 52.244-5	Competition in Subcontracting (DEC 1996)
	FAR 52.244-6	Subcontracts for Commercial Items and Commercial Components (OCT 1998)
	FAR 52.245-2	Government Property (Fixed-Price Contracts) (DEC 1989) and Alternate I (APR 1984) (As modified by DoD Class Deviation 98-00007 dated 30 June 1998)
	FAR 52.246-9	Inspection of Research and Development (Short Form)(APR 1984)
**	FAR 52.246-16	Responsibility for Supplies (APR 1984)
	FAR 52.247-63	Preference for U.S. Flag Air Carriers (JAN 1997)
	FAR 52.249-1	Termination for Convenience of the Government (Fixed Price) (Short Form) (APR 1984) (Applicable under $100,000)
**	FAR 52.249-9	Default (Fixed Price Research and Development) (APR 1984)
	FAR 52.253-1	Computer Generated Forms (JAN 1991)

II. DEPARTMENT OF DEFENSE FAR SUPPLEMENT (DFARS) (48 CFR CHAPTER 2) CLAUSES: -

	DFARS 252.203-7001	Special Prohibition on Employment (JUN 1997)
	DFARS 252.204-7003	Control of Government Personnel Work Product (APR 1992)
	DFARS 252.204-7004	Required Central Contractor Registration (MAR 1998)
**	DFARS 252.209-7000	Acquisition from Subcontractors Subject to On-Site Inspection under the Intermediate Range Nuclear Forces (INF) Treaty (NOV 1995)
+	DFARS 252.215-7000	Pricing Adjustments (DEC 1991)
++	DFARS 252.219-7003	Small, Small Disadvantaged and Women-owned Small Business Subcontracting Plan (DoD Contracts) (APR 1996)
	DFARS 252.225-7012	Preference for Certain Domestic Commodities (SEP 1997)
	DFARS 252.225-7031	Secondary Arab Boycott of Israel (JUN 1992)
	DFARS 252.227-7013	Rights in Technical Data -- Noncommercial Items (NOV 1995), and Alternate 1 (JUN 1995)
	DFARS 252.227-7014	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (JUN 1995)
	DFARS 252.227-7016	Rights in Bid or Proposal Information (JUN 1995)
	DFARS 252.227-7018	Rights in Noncommercial Technical Data and Computer Software -- Small Business Innovation Research (SBIR) Program (JUN 1995)

	DFARS 252.227-7019	Validation of Asserted Restrictions -- Computer Software (JUN 1995)
	DFARS 252.227-7025	Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends (JUN 1995)
	DFARS 252.227-7028	Technical Data or Computer Software Previously Delivered to the Government (JUN 1995)
	DFARS 252.227-7030	Technical Data - Withholding of Payment (OCT 1988)
	DFARS 252.227-7036	Certification of Technical Data Conformity (JAN 1997)
	DFARS 252.227-7037	Validation of Restrictive Markings on Technical Data (NOV 1995)
	DFARS 252.231-7000	Supplemental Cost Principles (DEC 1991)
	DFARS 252.232-7009	Payment by Electronic Funds Transfer (CCR) (JUN 1998)
	DFARS 252.235-7002	Animal Welfare (DEC 1991)
	DFARS 252.242-7000	Post-Award Conference (DEC 1991)
	DFARS 252.243-7001	Pricing of Contract Modifications (DEC 1991)
**	DFARS 252.243-7002	Requests for Equitable Adjustment (MAR 1998)
	DFARS 252.245-7001	Reports of Government Property (MAY 1994)
x	DFARS 252.246-7000	Material Inspection and Receiving Report (DEC 1991)

(B) ADDITIONAL FAR AND DFARS CLAUSES

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this address: http://www.arnet.gov/far/

	FAR 52.204-2	Security Requirements (AUG 1996) (Applicable if contract will generate or require access to classified information and DD Form 254, Contract Security Classification Specification, is issued to the Contractor)
X	FAR 52.209-6	Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (JUL 1995) (Applicable to contracts exceeding $25,000 in value)
X	FAR 52.215-17	Waiver of Facilities Capital Cost of Money (OCT 1997) (Applicable if the Contractor did not propose facilities capital cost of money in the offer)
	FAR 52.215-20	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data (OCT 1997) (Applicable if cost or pricing data or information other than cost or pricing data are required.)
	FAR 52.215-21	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data - Modifications (OCT 1997) (Applicable if cost or pricing data or information other than cost or pricing data will be required for modifications.)
	FAR 52.217-9	Option to Extend the Term of the Contract (MAR 1989) (In paragraph (a), insert " 0 ", and in paragraph (c), insert "0") (Applicable if contract contains a line item for options. Complete the spaces in parentheses)
	FAR 52.219-3	Notice of Total HUBZone Set-Aside (JAN 1999)

	FAR 52.219-5	Very Small Business Set-Aside (MAR 1999) (For actions between $2,500 and $50,000)
	FAR 52.219-6	Notice of Total Small Business Set-Aside (JUL 1996), and Alternate I (OCT 1995) (Applicable to total small business set-asides, including SBIR)
	FAR 52.219-25	Small Disadvantaged Business Participation Program - Disadvantaged Status and Reporting (JAN 1999) (Applicable if contract includes FAR 52.219-24)
	FAR 52.222-20	Walsh Healy Public Contracts Act (DEC 1996) (Applicable if the contract includes deliverable materials, supplies, articles or equipment in an amount that exceeds or may exceed $10,000)
	FAR 52.223-5	Pollution Prevention and Right-to-Know Information (APR 1998) (Applicable if contract provides for performance, in whole or in part, on a Federal facility.
X	FAR 52.223-6	Drug-Free Workplace (JAN 1997) (Applies when contract action exceeds $100,000 or at any value when the contract is awarded to an individual)
	FAR 52.226-1	Utilization of Indian Organizations and Indian-Owned Economic Enterprises (MAY 1999) (Applicable when FAR 52.219-9 Small Business Subcontracting Plan, applies)
	FAR 52.227-10	Filing of Patent Applications - Classified Subject Matter (APR 1984) (Applicable if contract is subject to FAR clause 52.204-02 and either 52.227-11 or 52.227-12)
X	FAR 52.227-11	Patent Rights - Retention by the Contractor (Short Form) (JUN 1997) (Applicable if contractor is a small business or nonprofit organization)
	FAR 52.227-12	Patent Rights - Retention by the Contractor (Long Form) (JAN 1997) (Applicable if contractor is a large business)
	FAR 52.230-2	Cost Accounting Standards (APR 1998) (Applicable when contract amount is over $500,000, if contractor is subject to full CAS coverage, as set forth in 48 CFR Chapter 99, Subpart 9903.201-2(a) (FAR Appendix B)
	FAR 52.230-3	Disclosure and Consistency of Cost Accounting Practices (APR 1998) (Applicable when contract amount is over $500,000 but less than $25 million, and the offeror certifies it is eligible for and elects to use modified CAS coverage as set forth in 48 CFR Chapter 99, Subpart 9903.201-2 (FAR Appendix B)
	FAR 52.230-6	Administration of Cost Accounting Standards (APR 1996) (Applicable if contract is subject to either clause at FAR 52.230-02 or the clause at FAR 52.230-03)
	FAR 52.239-1	Privacy or Security Safeguards (AUG 1996) (Applicable to contracts for information technology which require security of information technology, and/or are for the design, development, or operation of a system of records using commercial information technology services or support services)
	FAR 52.245-9	Use and Charges (APR 1984) (Deviation) (DoD Class Deviation 96-00007, dated 6 September 1996) (Applicable to contracts under which the Government will furnish property for the performance of the contract)
x	FAR 52.246-23	Limitation of Liability (FEB 1997) (Applicable if contract value is over $100,000 and contract requires delivery of end item that is not high

		value (FAR 46.805)
X	FAR 52.249-2	Termination for Convenience of the Government (Fixed Price) (SEP 1996) (Applicable instead of FAR 52.249-01 when contract amount exceeds $100,000)
	DFARS 252.203-7002	Display of DoD Hotline Poster (DEC 1991) (Applicable when contract action exceeds $5 million or when any modification increases contract amount to more than $5 million)
	DFARS 252.204-7000	Disclosure of Information (DEC 1991) (Applies when Contractor will have access to or generate unclassified information that may be sensitive and inappropriate for release to the public)
	DFARS 252.205-7000	Provision of Information to Cooperative Agreement Holders (DEC 1991) (Applicable only when contract action exceeds $500,000 or when any modification increases total contract amount to more than $500,000)
	DFARS 252.215-7002	Cost Estimating System Requirements (OCT 1998) (Applicable only to contract actions awarded on the basis of certified cost or pricing data)
	DFARS 252.223-7004	Drug-Free Work Force (SEP 1988) Applicable (a) if contract involves access to classified information; or (b) when the Contracting Officer determines that the clause is necessary for reasons of national security or for the purpose of protecting the health or safety of those using or affected by the product of, or performance of the contract.
	DFARS 252.223-7006	Prohibition on Storage and Disposal of Toxic and Hazardous Materials (APR 1993) (Applicable if work requires, may require, or permits contractor performance on a DoD installation)
	DFARS 252.225-7001	Buy American Act and Balance of Payments Program (MAR 1998) (Applicable if the contract includes deliverable supplies)
	DFARS 252.225-7002	Qualifying Country Sources as Subcontractors (DEC 1991) (Applicable when clause at DFARS 252.225-7001 applies)
	DFARS 252.225-7008	Supplies to be Accorded Duty-Free Entry (MAR 1998) (Applicable when clause at DFARS 252.225-7009 applies)
	DFARS 252.225-7009	Duty-Free Entry - Qualifying Country Supplies (End Products and Components) (MAR 1998) (Applicable if contract includes deliverable supplies)
	DFARS 252.225-7010	Duty-Free Entry - Additional Provisions (MAR 1998) (Applicable when clause at DFARS 252.225-7009 applies)
	DFARS 252.225-7016	Restriction on Acquisition of Ball and Roller Bearings (AUG 1998) (Applicable if contract includes deliverable supplies, unless Contracting Officer knows that items being acquired do not contain ball or roller bearings)
	DFARS 252.225-7026	Reporting of Contract Performance Outside the United States (MAR 1998) (Applicable only when contract value exceeds $500,000 or when any modification increases contract value to more than $500,000)
	DFARS 252.227-7013	Rights in Technical Data -- Noncommercial Items, Alternate I (NOV 1995) (ref: 227.7103-6(b))
X	DFARS 252.227-7034	Patents - Subcontracts (APR 1984) (Applicable when FAR 52.227-11 applies)
X	DFARS 252.227-7039	Patents - Reporting of Subject Inventions (APR 1990) (Applies when FAR 52.227-11 applies)

(C) **The following clause is applicable to contract actions with a value of $100,000 or more:**

DFARS 252.247-7023 TRANSPORTATION OF SUPPLIES BY SEA (NOV 1995)

(a) As used in this clause:

(1) "Components" means articles, materials, and supplies incorporated directly into end products at any level of manufacture, fabrication or assembly by the Contractor or any subcontractor.

(2) "Department of Defense" (DoD) means the Army, Navy, Air Force, Marine Corps, and Defense agencies.

(3) "Foreign flag vessel" means any vessel that is not a U.S.-flag vessel.

(4) "Ocean transportation" means any transportation aboard a ship, vessel, boat, barge, or ferry through international waters.

(5) "Subcontractor" means a supplier, materialman, distributor or vendor at any level below the prime contractor whose contractual obligation to perform results from, or is conditioned upon, award of the prime contract and who is performing any part of the work or other requirement of the prime contract. However, effective May 1, 1996, the term does not include a supplier, materialman, distributor or vendor of commercial items or commercial components.

(6) "Supplies" means all property, except land and interests in land, that is clearly identifiable for eventual use by or owned by the DoD at the time of transportation by sea.

(I) An item is clearly identifiable for eventual use by the DoD if, for example, the contract documentation contains a reference to a DoD contract number or a military destination.

(ii) "Supplies" includes (but is not limited to) public works; buildings and facilities; ships; floating equipment and vessels of every character, type and description, with parts, subassemblies, accessories and equipment; machine tools; material; equipment; stores of all kinds; end items; construction materials; and components of the foregoing.

(7) "U.S.-flag vessel" means a vessel of the United States or be longing to the United States, including any vessel registered or having national status under the laws of the United States.

(b) The Contractor shall employ United States-flag vessels in the transportation by sea of any supplies to be furnished in the performance of this contract. The Contractor and its subcontractors may request that the Contracting Officer authorize shipment in foreign-flag vessels, or designate U.S.-flag vessels, if the Contractor or a subcontractor believes that --

(1) U.S.-flag vessels are not available for timely shipment;

(2) The freight charges are inordinately excessive or unreasonable; or

(3) Freight charges are higher than charges to private persons for transportation of like goods.

(c) The Contractor must submit any request for use of other than U.S.-flag vessels in writing to the Contracting Officer at least 45 days prior to the sailing date necessary to meet its delivery schedules. The Contracting Officer will process requests submitted after such date(s) as expeditiously as possible, but the Contracting Officer's failure to grant approvals to meet the shipper's sailing date will not of itself constitute a compensable delay under this or any other clause of this contract. Requests shall contain at a minimum --

(1) Type, weight, and cube of cargo.

(2) Required shipping date.

(3) Special handling and discharge requirements.

(4) Loading and discharge points.

(5) Name of shipper and consignee.

(6) Prime contract number; and

(7) A documented description of efforts made to secure U.S.-flag vessels, including points of contact (with names and telephone numbers) of at least two (2) U.S.-flag carriers contacted. Copies of telephone notes, telegraphic and facsimile messages or letters will be sufficient for this purpose.

(d) The Contractor shall, within thirty (30) days after each shipment covered by this clause, provide the Contracting Officer and the Division of National Cargo, Office of Market Development, Maritime Administration, U.S. Department of Transportation, Washington, DC 20590, one copy of the rated on board vessel operating carrier's ocean-bill-of-lading, which shall contain the following information:

(1) Prime contract number;

(2) Name of vessel;

(3) Vessel flag of registry;

(4) Date of loading;

(5) Port of loading;

(6) Port of final discharge;

(7) Description of commodity;

(8) Gross weight in pounds and cubic feet if available;

(9) Total ocean freight in U.S. dollars; and

(10) Name of the steamship company.

(e) The Contractor agrees to provide with its final invoice under this contract a representation that to the best of its knowledge and belief:

(1) No ocean transportation was used in the performance of this contract;

(2) Ocean transportation was used and only United States-flag vessels were used for all ocean shipments under the contract.

(3) Ocean transportation was used, and the Contractor had the written consent of the Contracting Officer for all non-U.S.-flag ocean transportation; or

(4) Ocean transportation was used and some or all of the shipments were made on non-U.S.-flag vessels without the written consent of the Contracting Officer. The Contractor shall describe these shipments in the following format:

	ITEM DESCRIPTION	CONTRACT LINE ITEMS	QUANTITY
Total			

(f) If the final invoice does not include the required representation, the Government will reject it and return it to the Contractor as an improper invoice for the purposes of Prompt Payment clause of this contract. In the event there has been unauthorized use of non-U.S.-flag vessels in the performance of this contract, the Contracting Officer is entitled to equitably adjust the contract, based on the unauthorized use.

(g) The Contractor shall include this clause, including this paragraph (g), in all subcontracts under this contract, which exceed the simplified acquisition threshold in Par 13 of the Federal Acquisition Regulations.

(D) **The following clause is applicable when the Contractor has made a negative response to the inquiry in the representation at DFARS 252.247-7022 and the contract action is for $100,000 or more.**

DFARS 252.247-7024 NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA (NOV 1995)

(a) The Contractor has indicated by the response to the solicitation provision, Representation of Extent of Transportation by Sea, that it did not anticipate transporting by sea any supplies. If, however, after the award of this contract, the Contractor learns that supplies, as defined in the Transportation of Supplies by Sea clause of this contract, will be transported by sea, the Contractor --

(1) Shall notify the Contracting Officer of that fact; and

(2) Hereby agrees to comply with all the terms and conditions of the Transportation of Supplies by Sea clause of this contract.

(b) The Contractor shall include this clause, including this paragraph (b), revised as necessary to reflect the relationship of the contracting parties, in all subcontracts hereunder, except (effective May 1, 1996) subcontracts for the acquisition of commercial items or components

SECTION J - LIST OF ATTACHMENTS

1. Exhibit A, entitled, "Contract Data Requirements List 1 page, Attachment Number 1(CDRL) " Instructions for Distribution."

2. Exhibit B, entitled, "Financial Accounting Data Sheet."

SECTION K - REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS

1. The Contractor's Representations and Certifications, dated 17 JUN 1999 are hereby incorporated into this contract by reference.

CONTRACT DATA REQUIREMENTS LIST

Form Approved
OMB No. 0704-0188

Public reporting burden for this collection of information is estimated to average 440 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection or information, including suggestions for reducing this burden, to Washington Headquarters Services Directorate for information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget Paperwork Reduction Project (0704-0188), Washington, DC 20503.

A. CONTRACT LINE ITEM NO.	B. EXHIBIT	C. CATEGORY			
0001AA THROUGH 0001AJ	A	TOP		TM		OTHER	X

D. SYSTEM/ITEM	E. CONTRACT/PR NO.	F. CONTRACTOR
	N00014-99-C-0377	CREE

1. DATA ITEM NO.	2. TITLE OF DATA ITEM	3. SUBTITLE
48.13 A001	Progress Report	

4. AUTHORITY (Data Acquisition Document No.)	5. CONTRACT REFERENCE	6. REQUIRING OFFICE
	SECTION F	See Section F

7. DD 250 REQ	9. DIST STATEMENT REQUIRED	10. FREQUENCY	12. DATE OF FIRST SUBMISSION
LT*		*	*
8. APP CODE		11. AS OF DATE	13. DATE OF SUBSEQUENT SUBMISSION
		*	*

14. DISTRIBUTION

ADDRESSEE	b. COPIES Draft	Final REQ	Final REPRO
See Section F . para f.			
See Enclosure Number 1			
15. TOTAL			

16. REMARKS

*** As required by the Program Officer, these reports, submitted <u>IAW SECTION F. PARA. 1 SCHEDULE</u> for the purpose of reporting progress, may be in the form of a letter report.**

1. DATA ITEM NO.	2. TITLE OF DATA ITEM	3. SUBTITLE
A002	Final Report	

4. AUTHORITY (Data Acquisition Document No.)	5. CONTRACT REFERENCE	6. REQUIRING OFFICE
	SECTION F	See Section F

7. DD 250 REQ	9. DIST STATEMENT REQUIRED	10. FREQUENCY	12. DATE OF FIRST SUBMISSION
LT*		ONE/R	See Section F
8. APP CODE		11. AS OF DATE	13. DATE OF SUBSEQUENT SUBMISSION
		See Section F	

14. DISTRIBUTION

ADDRESSEE	b. COPIES Draft	Final REQ	Final REPRO
See Section F . para f.			
See Enclosure Number 1			
15. TOTAL			

16. REMARKS

* DD250 required only for acceptance by the Program Officer designated in Section F. Information copies of this report shall be distributed in accordance with Enclosure Number 1.

1. DATA ITEM NO.	2. TITLE OF DATA ITEM	3. SUBTITLE

4. AUTHORITY (Data Acquisition Document No.)	5. CONTRACT REFERENCE	6. REQUIRING OFFICE

7. DD 250 REQ	9. DIST STATEMENT REQUIRED	10. FREQUENCY	12. DATE OF FIRST SUBMISSION
8. APP CODE		11. AS OF DATE	13. DATE OF SUBSEQUENT SUBMISSION

14. DISTRIBUTION

ADDRESSEE	b. COPIES Draft	Final REQ	Final REPRO
15. TOTAL			

16. REMARKS

1. DATA ITEM NO.	2. TITLE OF DATA ITEM	3. SUBTITLE

4. AUTHORITY (Data Acquisition Document No.)	5. CONTRACT REFERENCE	6. REQUIRING OFFICE

7. DD 250 REQ	9. DIST STATEMENT REQUIRED	10. FREQUENCY	12. DATE OF FIRST SUBMISSION
8. APP CODE		11. AS OF DATE	13. DATE OF SUBSEQUENT SUBMISSION

14. DISTRIBUTION

ADDRESSEE	b. COPIES Draft	Final REQ	Final REPRO
15. TOTAL			

16. REMARKS

G. PREPARED BY	H. DATE	L. APPROVED BY	J. DATE
ONR 254	26 AUG 1999	ONR 254	26 AUG 1999

ATTACHMENT NUMBER 1
CONTRACT DATA REQUIREMENTS LIST
INSTRUCTIONS FOR DISTRIBUTION

DISTRIBUTION OF TECHNICAL REPORTS AND FINAL REPORT

The minimum distribution of technical reports and the final report submitted in connection with this contract is as follows:

ADDRESSEE	DODAAD CODE	NUMBER OF COPIES	
		UNCLASSIFIED/ UNLIMITED	UNCLASSIFIED/LIMITED AND CLASSIFIED
Program Officer	N00014	1	1
Administrative Contracting Officer*	HQ0338	1	1
Director, Naval Research Laboratory, ATTN: Code 5227	N00173	1	1
Defense Technical Information Center 8725 John J. Kingman Road STE 0944 Ft. Belvoir, VA 22060-6218	S47031	2	2

DISTRIBUTION OF PROGRESS REPORTS

The minimum distribution for progress reports is as follows:

ADDRESSEE	DODAAD CODE	NUMBER OF COPIES	
		UNCLASSIFIED/ UNLIMITED	UNCLASSIFIED/LIMITED AND CLASSIFIED
Program Officer	N00014	1	1
Administrative Contracting Officer*	HQO338	1	1

*Send only a copy of the transmittal letter to the Administrative Contracting Officer; do not send actual reports to the Administrative Contracting Officer.

FINANCIAL ACCOUNTING DATA SHEET - NAVY

1.CONTRACT NUMBER *(CRITICAL)*	2.SPIIN *(CRITICAL)*	3.MOD *(CRITICAL)*	4.PR NUMBER	PAGE 1 OF 1
N0001499C0377			99PR07572-00	

CLIN/SLIN	6.LINE OF ACCOUNTING A. ACRN *(CRITICAL)*	B. APPROPRIATION *(CRITICAL)*	C. SUBHEAD *(CRITICAL)*	D. OBJ CLA	E. PARM	F. RFM	G. SA	H. AAA *(CRITICAL)*	I. IT	J. PAA	K. COST CODE PROJ UNIT	MCC	PDLI & SUF	7. AMOUNT *(CRITICAL)*	NAVY INTERNAL USE ONLY REF DOC/ACRN
	AA	9790400	1304	255	RA	333	0	068342	2D	000000	R9Y10	000	A252	105,000.00	PR#99PR07572-00 FRC:A318
													PAGE TOTAL	$105,000.00	
													GRAND TOTAL	$105,000.00	

PREPARED/AUTHORIZED BY:

DATE:

COMPTROLLER APPROVAL:
FOR FISCAL DATA AND SIGNATURE
BY (b) (6) [redacted] for COMPTROLLER, ONR CONTRACT
REVIEW
DATE: 22 Sep 99

FAD1

DEFENSE CONTRACT MANAGEMENT AGENCY
Raleigh-Durham Office
3200 Chapel Hill-Nelson Blvd.
Cape Fear Bldg., Suite 209
P. O. Box 13289
Research Triangle Park, NC 27709-3289

IN REPLY
REFER TO: DCMDE-GAOC

1 October, 2001

File

Office of Naval Research
ONR 251, Russelle Dunson
Ballston Towerr One
800 North Quincy Street
Arlington, VA 22217-5660

Dear Mr. McCullough:

Regarding Contract N00014-99-C-0377

The enclosed DCAA letter regarding potential contract funding issues resulting from increased indirect cost rates for Cree, Inc., is forwarded for your information and action. A copy has also been forwarded to Cree, Inc.

If you have any questions, please contact Ms. Theresa Carter, Contract Administrator, at 919-485-8288 ext 31 or tcarter@dcmde.dcma.mil , or myself at extension 32 mhochstetler@dcmde.dcma.mil

(b) (6) [redacted]
Administrative Contracting Officer

Encl a/s

Cc: Cree, Inc.

NORTH CAROLINA BRANCH OFFICE
EASTERN REGION
DEFENSE CONTRACT AUDIT AGENCY
415 NORTH EDGEWORTH STREET, SUITE A
GREENSBORO, NORTH CAROLINA 27401-2163

IN REPLY REFER TO
1281/RRF 820.9/2001A 17900 133/TIA

September 27, 2001

MEMORANDUM FOR ADMINISTRATIVE CONTRACTING OFFICER, DCMA ATLANTA
RALEIGH-DURHAM OFFICE, CAPE FEAR BUILDING,
SUITE 209, P.O. BOX 13288, RTP, NC 27709-3288

ATTENTION: Ms. Marjorie Hochstetler
E-Mail Address: mhochstetler@dcmde.dcma.mil

SUBJECT: Potential Contract Funding Issues Resulting From Increased Indirect Cost Rates

CONTRACTOR: Cree, Incorporated
Durham, North Carolina

It has come to our attention that the contractor's R&D overhead and G&A expense rates have been steadily increasing during recent fiscal years. DCAA has performed incurred cost audits through FY 1999; however, based on our preliminary review of incurred cost submissions the most significant increases were experienced during FY 2000 and FY 2001.

The factors impacting the indirect rates include changes in sales volume, significant increases in annual volume of independent research & development (IR&D) performed, indirect rate methodology changes, errors in computing the indirect rates, and purchase of assets in anticipation of increased research & development (R&D). The indirect rate increases are predominantly driven by the high level of IR&D effort performed by the contractor and the related support functions included in the R&D overhead cost pool. The reasonableness, allowability, and allocability of the increased costs will be addressed in our FY 2000 and FY 2001 incurred cost audits.

Most of Cree's government contracts are cost-share or cost-plus-fixed fee; accordingly, the large deviations between the proposed contract costs and the incurred contract costs are significant funding issues. The funding issues involve both existing contracts and prospective contracts.

Historically, the contractor has not closely monitored its indirect rates on an interim basis. Accordingly, Cree has been unable to identify and respond to significant deviations and resolve them in a timely fashion. In our opinion, Cree should regularly monitor its interim indirect rates

and compare these rates to those used to fund each government contract. Any significant deviations should be addressed through cost containment initiatives. At a minimum, Cree should notify the responsible contracting officer of any impending funding issues and request guidance on how to proceed.

Ms. Tanya Aleman, Senior Auditor, has discussed this internal control deficiency with Ms. Judy Berglund, Cree's Government Contract Specialist. Cree has agreed to implement procedures to monitor its indirect rates, thereby providing a means for timely identification of funding issues. Furthermore, we recommend that the contracting officer take steps to address cost containment on prospective government contracts. These steps would likely include requiring Cree to regularly inform the ACO the results of the newly implemented cost containment initiatives and establishing contractual indirect rate ceilings to minimize the government's liability on cost-type contracts.

If you require additional audit services, please contact Ms. Tanya Aleman, Senior Auditor, at (919) 967-4486 or Mr. Rudell R. Frazier, Supervisory Auditor, at (336) 333-5287 or FAX No. (336) 333-5501. Our e-mail address is dcaa-fao1281@dcaa.mil.

/signed/Rudell R. Frazier
/for/ROBERT R. VOYLES
Branch Manager

4600 Silicon Drive • Durham, NC 27703 • (919) 313-5300 • (919) 313-5452 FAX

File

March 1, 2000

Office of Naval Research
ONR 254 Russelle Dunson
Ballston Tower One
800 North Quincy Street
Arlington, VA 22217-5660

Re: N00014-99-C-0377

Dear Ms. Dunson:

Upon submission of CLIN 0001AB on February 24, 2000, we currently have only $5,000 remaining in incremented funds. Cree requests a modification allotting additional funds to the contract. CLIN 0001AC is due on March 30, 2000 and can not be submitted until additional funds are allocated.

Additionally, Cree Research, Inc. has changed its corporate name to Cree, Inc. effective January 1, 2000. This information has been updated in the Central Contractor Registration and we have submitted a Change-of-Name agreement to our cognizant ACO.

Please contact me at (919)313-5366 if I can provide any further information.

Sincerely,

(b) (6) [redacted]

Denise Holliday
Contracts Manager

DEFENSE LOGISTICS AGENCY
DEFENSE CONTRACT MANAGEMENT COMMAND
Raleigh-Durham Office
3200 Chapel Hill-Nelson Blvd.
Cape Fear Bldg., Suite 209
P. O. Box 13289
Research Triangle Park, NC 27709-3289

IN REPLY
REFER TO: DCMDE-GAOC

18 November, 1999

File

Cree Research, Inc.
ATTN: Denise Holliday
4600 Silicon Drive
Durham, NC 27703

Dear Ms Holliday:

We received contract N00014-99-C-0377 at DCMC Atlanta, Research Triangle Park Office, for contract administration purposes. Please use the address in our letterhead for any correspondence relating to this contract. Please note the Technical Data Withholding and Patent requirements of this contract.

In order to better serve you, we provide the following points of contact for your information and future use.

Marjorie D. Hochstetler, ACO
919-485-8288 ext 32
FAX 919-485-8144
e-mail: mhochstetler@dcmde.dla.mil

Theresa A. Carter, CA
919-485-8288 ext 28
FAX 919-485-8144
e-mail: tcarter@dcmde.dla.mil

Clara Davis, Procurement Technician
770-590-6439
FAX 770-590-6062
e-mail: cdavis@dcmde.dla.mil

Please contact the appropriate team member if we can help.

(b) (6)
THERESA CARTER
Contract Administrator

cf: PCO

Dunson, Russelle

From: john_palmour@cree.com
Sent: Wednesday, September 15, 1999 11:46 AM
To: CAMPISG@ONR.NAVY.MIL
Cc: DUNSONR@ONR.NAVY.MIL; dradack@darpa.mil
Subject: RE: Contract deliverables

George and Russelle,

Yes, this is consistent with what we had spoken about on the phone. Russelle, as we discussed on the phone, you can add the deliverables onto the contract as "Six Packaged Solid State Switches" and the deliverable schedule as we discussed, with contract items listed as:

1AC
1AD
1AE
1AF, and
1AH

Please let me know what else we may need to do on our end to incorporate these changes into the contract.

Thanks,
John Palmour

-----Original Message-----
From: "Campisi George" <CAMPISG@ONR.NAVY.MIL> at INTERNET_MAIL
Sent: Tuesday, September 14, 1999 3:18 PM
To: John Palmour
Cc: "Dunson Russelle" <DUNSONR@ONR.NAVY.MIL> at INTERNET_MAIL; "'Radack Dan @DARPA'" <dradack@darpa.mil> at INTERNET_MAIL
Subject: Contract deliverables

John
As we discussed and agreed, we will turn the goals to deliverables as laid out in
the Statement of Work Table I
Page 6 of the original proposal

We expect that you can provide us with a minimum of 6 chips with the proposed specs described and 6 packages containing these devices with the rating you have specified.
Is this constituent with what we spoke about to you?

We will like to have our reviews in this program at the same time as the Air Force Dual use program since there is a certain similarity between these programs..
Please contact Russelle with any comments as I will be out of town for the next few days...

Regards:

George J. Campisi
Code 334
Office of Naval Research
800 N. Quincy Street
Arlington, VA 22217-5660

(703) 696-7739 (voice) (703) 696-7760 (FAX)
e-mail: campisg@onr.navy.mil
www.onr.navy.mil
pebb.onr.navy.mil

Dunson, Russelle

From: Campisi, George
Sent: Tuesday, September 14, 1999 3:19 PM
To: 'Palmour, John@CREE'
Cc: Dunson, Russelle; 'Radack, Dan @DARPA'
Subject: Contract deliverables

John
As we discussed and agreed, we will turn the goals to deliverables
as laid out in
the Statement of Work Table I
Page 6 of the original proposal

We expect that you can provide us with a minimum of 6 chips with the proposed specs described and 6 packages containing these devices with the rating you have specified.
Is this constituent with what we spoke about to you?

We will like to have our reviews in this program at the same time as the Air Force Dual use program since there is a certain similarity between these programs..
Please contact Russelle with any comments as I will be out of town for the next few days...

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pebb.onr.navy.mil

Dunson, Russelle

From: Campisi, George
Sent: Friday, September 10, 1999 7:42 PM
To: Dunson, Russelle
Subject: RE: CREE Research

Isn't it funny that they included this and they told me reports were part of the deliverables and here they are changing their mind.

Regards:

George J. Campisi
Office of Naval Research
Code 334
800 N. Quincy Street
Arlington VA 22217-5660
703 696-7739 (voice) 703 696-7760(FAX)
campisg@onr.navy.mil
http://pebb.onr.navy.mil http://www.onr.navy.mil

-----Original Message-----
From: Dunson, Russelle
Sent: Friday, September 10, 1999 3:08 PM
To: Campisi, George
Subject: RE: CREE Research
Importance: High

Legal did not approve this action. I need to know the time and date of each deliverables. The contractor has signed the contract. I have had a discussion with the contractor about the deliverables. The contractor seems to think that we should only receive reports.

Russelle L. Dunson

-----Original Message-----
From: Campisi, George
Sent: Friday, September 10, 1999 2:40 PM
To: Dunson, Russelle
Subject: CREE Research

Russelle;
Please let me know when the CREE Research Contract has been signed by ONR.
I received a call from legal for additional information; so I know we are close.
I want to be able to tell the DARPA sponsor that they are beginning to work.

Regards:

George J. Campisi
Code 334
Office of Naval Research
800 N. Quincy Street
Arlington, VA 22217-5660
(703) 696-7739 (voice) (703) 696-7760 (FAX)
e-mail: campisg@onr.navy.mil
www.onr.navy.mil
pebb.onr.navy.mil

Dunson, Russelle

From: Campisi, George
Sent: Friday, September 10, 1999 2:40 PM
To: Dunson, Russelle
Subject: CREE Research

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Please let me know when the CREE Research Contract has been signed by ONR.
I received a call from legal for additional information; so I know we are close.
I want to be able to tell the DARPA sponsor that they are beginning to work.

Regards:

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Code 334
Office of Naval Research
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Arlington, VA 22217-5660
(703) 696-7739 (voice) (703) 696-7760 (FAX)
e-mail: campisg@onr.navy.mil
www.onr.navy.mil
pebb.onr.navy.mil

Dunson, Russelle

From: Campisi, George
Sent: Friday, September 10, 1999 7:42 PM
To: Dunson, Russelle
Subject: RE: CREE Research

Isn't it funny that they included this and they told me reports were part of the deliverables and here they are changing their mind.

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campisg@onr.navy.mil
http://pebb.onr.navy.mil http://www.onr.navy.mil

-----Original Message-----
From: Dunson, Russelle
Sent: Friday, September 10, 1999 3:08 PM
To: Campisi, George
Subject: RE: CREE Research
Importance: High

Legal did not approve this action. I need to know the time and date of each deliverables. The contractor has signed the contract. I have had a discussion with the contractor about the deliverables. The contractor seems to think that we should only receive reports.

Russelle L. Dunson

-----Original Message-----
From: Campisi, George
Sent: Friday, September 10, 1999 2:40 PM
To: Dunson, Russelle
Subject: CREE Research

Russelle;
Please let me know when the CREE Research Contract has been signed by ONR.
I received a call from legal for additional information; so I know we are close.
I want to be able to tell the DARPA sponsor that they are beginning to work.

Regards:

George J. Campisi
Code 334
Office of Naval Research
800 N. Quincy Street
Arlington, VA 22217-5660
(703) 696-7739 (voice) (703) 696-7760 (FAX)
e-mail: campisg@onr.navy.mil
www.onr.navy.mil
pebb.onr.navy.mil

4600 Silicon Drive • Durham, NC 27703 • (919) 313-5300 • (919) 313-5452 FAX

September 8, 1999

Office of Naval Research
ONR 254, Russelle Dunson
Ballston Tower One
800 North Quincy Street
Arlington, VA 22217-5660

Re: Contract N00014-99-C-0377

Dear Ms. Dunson,

Enclosed please find two (2) executed copies of the above referenced contract. In the review of the contract conducted by our general counsel, it was noted that Block 7 on the SF26 did not contain our full name. Please note that we have added our legal name in this block. We would like to note that it is our understanding that the "Additional FAR and DFARs clauses", which begin on page 10 of the subject contract, are only applicable if marked with an "**X**".

If you have any questions or need additional information, please contact me at (919) 313-5366.

Sincerely,

(b) (6) [redacted]

Denise Holliday
Contracts Manager

Enclosures

INDIVIDUAL CONTRACTING ACTION REPORT

REPORT CONTROL SYMBOL DD-A&T(M)1014

PART A

A1. TYPE OF REPORT: 0 (0 Original 1 Cancelling 2 Correcting)
A2. REPORT NO.: 0769
A3. CONTRACTING OFFICE CODE: E614B
A4. NAME OF CONTRACTING OFFICE: DNR 00310

PART B

B1. CONTRACT IDENTIFICATION INFORMATION
B1A. CONTRACT NUMBER: N00014-98-C-0377
B1B. ORIGIN OF CONTRACT: A (A DoD B NASA C Other Non-DoD Agency)
B1C. RESERVED
B2. MODIFICATION, ORDER OR OTHER ID NUMBER: P00004
B3. ACTION DATE (YYYYMMDD): 20000401
B4. COMPLETION DATE (YYYYMMDD): 19991213 ~~20000E~~ 000930

B5. CONTRACTOR IDENTIFICATION INFORMATION
B5A. CONTRACTOR IDENTIFICATION NUMBER: 874328052
B5D. CONTRACTOR NAME AND DIVISION NAME: Raytheon Systems Company
B5E. CONTRACTOR ADDRESS (Street, City, State, Zip Code): 1901 West Malvern Ave Fullerton, CA 91834
B5B. GOVERNMENT AGENCY: N (Y Yes N No)
B5C. CAGE CODE: 05869
B5F. TIN: 951778500
B5G. PARENT TIN
B5H. PARENT NAME

B6. PRINCIPAL PLACE OF PERFORMANCE
B6A. CITY OR PLACE CODE: 28000
B6B. STATE OR COUNTRY CODE: 06
B6C. CITY OR PLACE AND STATE OR COUNTRY NAME

B7. TYPE OBLIGATION: 1 (1 Obligation 2 Deobligation)
B8. TOTAL DOLLARS (Enter whole dollars only): $73835
B9. FOREIGN MILITARY SALE: N (Y Yes N No)
B10. MULTIYEAR CONTRACT: N (Y Yes N No)
B11. TOTAL MULTIYEAR VALUE (Enter whole dollars only)

B12. PRINCIPAL PRODUCT OR SERVICE
B12A. FSC OR SVC CODE: A092
B12B. DOD CLAIMANT PROGRAM CODE: A60
B12C. PROGRAM, SYSTEM OR EQUIPMENT CODE: 002
B12D. SIC CODE: 8731
B12E. NAME/DESCRIPTION

B13. KIND OF CONTRACTING ACTION
B13A. CONTRACT/ORDER: 3 (1 Letter Contract; 3 Definitive Contract; 4 Order under an Agreement; 5 Order under Indefinite-Delivery Contract (IDC); 6 Order/Call under Federal Schedule; 8 Order from Procurement List; 9 Purchase Order/Call)
B13B. TYPE OF INDEFINITE-DELIVERY CONTRACT: (A Requirements Contract (FAR 52.216-21); B Indefinite-Quantity Contract (FAR 52.216-22); C Definite-Quantity Contract (FAR 52.216-20))
B13C. MULTIPLE/SINGLE AWARD IDC(S): (M Multiple Award S Single Award)
B13D. MODIFICATION: C (A Additional Work (new agreement); B Additional Work (other); C Funding Action; D Change Order; E Termination for Default; F Termination for Convenience; G Cancellation; H Exercise of an Option; J Definitization of a Letter Contract)
B14. CICA APPLICABILITY: B (A Pre-CICA; B CICA Applicable; C Simplified Acquisition Procedures Other than FAR Subpart 13.5; D Simplified Procedures Pursuant to FAR Subpart 13.5)

PART C *(Do Not Complete This Part If Block B5B Is Coded Y)*

C1. SYNOPSIS: A (A Synopsis Only; B Combined Synopsis/Solicitation; N No)
C2. REASON NOT SYNOPSIZED: (A Urgency; B Use of FACNET; Z Other Reason)
C3. EXTENT COMPETED: A (A Competed Action; B Not Available for Competition; C Follow-On to Competed Action; D Not Competed)
C4. SEA TRANSPORTATION: N (Y Yes - Positive Response to DFARS 252.247-7022 or 252.212-7000(c)(2); N No - Negative response to DFARS 252.247-7022 or 252.212-7000(c)(2); U Unknown - No Response or Provision Not Included in Solicitation)
C5. TYPE OF CONTRACT: U (A Fixed-Price Redetermination; J Firm-Fixed-Price; K Fixed-Price Econ. Price Adj.; L Fixed-Price Incentive; M Fixed-Price-Award-Fee; R Cost-Plus-Award-Fee; S Cost Contract; T Cost-Sharing; U Cost-Plus-Fixed-Fee; V Cost-Plus-Incentive-Fee; Y Time-and-Materials; Z Labor-Hour)
C6. NUMBER OF OFFERORS SOLICITED: 2 (1 One; 2 More than One)
C7. NUMBER OF OFFERS RECEIVED: 1
C8. SOLICITATION PROCEDURES: F (A Full & Open Competition - Sealed Bid; B Full & Open Competition - Competitive Proposal; C Full & Open Competition - Combination; D Architect-Engineer; E Basic Research; F Multiple Award Schedule; G Alternative Sources; K Set-Aside; M Reserved; N Other than Full & Open Competition)
C9. AUTHORITY FOR OTHER THAN FULL & OPEN COMPETITION: (1A Unique Source; 1B Follow-On Contract; 1C Unsolicited Research Prop; 1D Patent/Data Rights; 1E Utilities; 1F Standardization; 1G Only One Source - Other; 2A Urgency; 3A Particular Sources; 4A International Agreement; 5A Authorized by Statute; 5B Authorized Resale; 6A National Security; 7A Public Interest)
C10. SUBJECT TO LABOR STANDARDS STATUTES: Z (A Walsh-Healey Act; C Service Contract Act; D Davis-Bacon Act; Z Not Applicable)
C11. COST OR PRICING DATA: N (Y Yes - Obtained; N No - Not Obtained; W Not Obtained - Waived)
C12. CONTRACT FINANCING: Z (A FAR 52.232-16; B Reserved; C Percentage of Completion PP; D Unusual PP or AP; E Commercial Financing; F Performance-Based Financing; Z Not Applicable)
C13. FOREIGN TRADE DATA
C13A. PLACE OF MANUFACTURE: (A U.S. B Foreign)
C13B. COUNTRY OF ORIGIN CODE
C14. COMMERCIAL ITEMS: N (Y Yes - FAR 52.212-4 Included; N No - FAR 52.212-4 Not Included)

PART D *(Do Not Complete This Part If Block B5B Is Coded Y or If B13A Is coded 6)*

D1. TYPE OF CONTRACTOR
D1A. TYPE OF ENTITY: C (A Small Disadvantaged Business Performing in U.S.; B Other Small Business Performing in U.S.; C Large Business Performing in U.S.; D JWOD Participating Nonprofit Agency; F Hospital; L Foreign Concern/Entity; M Domestic Firm Performing Outside U.S.; U Historically Black College or University or Minority Institution (HBCU/MI); V Other Educational; Z Other Nonprofit)
D1B. HUBZONE REPRESENTATIO: N (Y Yes N No)
D2. REASON NOT AWARDED TO SMALL DISADVANTAGED BUSINESS (SDB): A (A No Known SDB Source; B SDB Not Solicited; C SDB Solicited/No Offer; D SDB Solicited/Offer Not Low; Z Other Reason)
D3. REASON NOT AWARDED TO SMALL BUSINESS (SB): A (A No Known SB Source; B SB Not Solicited; C SB Solicited/No Offer; D SB Solicited/Offer Not Low; Z Other Reason)
D4. PREFERENCE PROGRAM
D4A. TYPE OF SB SET-ASIDE: A (A None; B Total SB Set-Aside; C Partial SB Set-Aside; E Total SDB Set-Aside; F Very Small Business Set-Aside; Y Emerging Small Business Set-Aside)
D4B. TYPE OF SDB SET-ASIDE/SDB PREFERENCE: A (A ~~None~~; B Section 8(a); C Total SDB Set-Aside; D SDB Price Evaluation Adjustment -Unrestricted; E SDB Preferential Consideration - Partial SB Set-Aside)
D4C. HBCU/MI SET-ASIDE: A (A None; B HBCU or MI - Total Set-Aside; C HBCU or MI - Partial Set-Aside)
D4D. TYPE OF HUBZONE PREFERENCE: A (A None; B Set-Aside; C Price Evaluation Preference; D Sole Source Award)
D4E. PREMIUM PERCENT
D5. ETHNIC GROUP: (A Asian-Indian American; B Asian-Pacific American; C Black American; D Hispanic American; E Native American; F Other SDB Certified/Determined by SBA; Z No Representation)
D6. WOMEN-OWNED BUSINESS: N (Y Yes N No U Uncertified)
D7. SMALL BUSINESS INNOVATION RESEARCH (SBIR) PROGRAM: A (A Not a SBIR Program Phase I/II/III; B SBIR Program Phase I Action; C SBIR Program Phase II Action; D SBIR Program Phase III Action)
D8. SUBCONTRACTING PLAN - SB, SDB, OR HBCU/MI: A (A Plan Not Included - No Subcontracting Possibilities; B Plan Not Required; C Plan Required, Incentive Not Included; D Plan Required, Incentive Included)
D9. SMALL BUSINESS COMPETITIVENESS DEMONSTRATION PROGRAM: N (Y Yes N No)
D10. SIZE OF SMALL BUSINESS: NUMBER OF EMPLOYEES (A 50 or Fewer; B 51 - 100; C 101 - 250; D 251 - 500; E 501 - 750; F 751 - 1,000; G Over 1,000) or AVERAGE ANNUAL GROSS REVENUE ($) (M 1,000,000 or Less; N 1,000,001 - 2,000,000; P 2,000,001 - 3,500,000; R 3,500,001 - 5,000,000; S 5,000,001 - 10,000,000; T 10,000,001 - 17,000,000; U Over 17,000,000)
D11. EMERGING SMALL BUSINESS: N (Y Yes N No)

PART E

E1 | E2 | E3 | E4 | E5 | E6 | E7 | E8

PART F

F1. NAME OF CONTRACTING OFFICER OR REPRESENTATIVE: Kimbalynn LH Dieng
F2. SIGNATURE: (b) (6) [redacted]
F3. TELEPHONE NO.: 696-2583
F4. DATE (YYYYMMDD): 20000406

DD FORM 350, OCT 1999 PREVIOUS EDITION IS OBSOLETE.

INDIVIDUAL CONTRACT ACTION REPORT (Continued)

REPORT CONTROL SYMBOL

REPORT NO.

CONTRACTING OFFICE CODE: E614B

PART G — NAVY PMRS DATA

G1. PR RECEIPT DATE (YYYYMMDD): 20000128

G2. PALT ADJUSTMENT

G3. CUSTOMER UIC: N00014

G4. RESERVED

G5. TYPE ORDER/INSTRUMENT

- B Award/Modification Agreement
- D Award/Modification IDC
- E Award/Modification Incrementally Funded
- F Award/Modification Subject to Availability Funds or Initial Citation of Funds
- K CA or Government vs Private Industry Action Retained In-House
- M CA or Government vs Private Industry Awarded to Contractor
- P Priced Order
- U Undefinitized Action
- Z Definitization or Increased funding of Undefinitized Action

G6. RESERVED

G7. DEFINITIZATION ACTIVITY
- D DCMC
- L Local

G8. DEFINITIZING ACTIVITY SD & UIC

G9. PRIOR REPORT

G10. RESERVED

G11. RESERVED

G11A. RESERVED

G11B. RESERVED

G12. RESERVED

G13. RESERVED

G14. CONTRACT ADMINISTRATION
- A Assigned DCMC
- C Retained

G15. RESERVED

G16. RESERVED

G17. RESERVED

G18. Reserved

G19. RESERVED

G20 RESERVED

G21. PROFIT REPORT

G21A. METHOD USED
- Y Yes
- N No

G21B. PROFIT REPORT NO.

G22 AWARD AMOUNT

G22A. BASE YEAR AMOUNT

G22B CONTRACT CEILING AMOUNT

G23. RESERVED

G24. STAFFING

G24A. POSITION SERIES
- A 1102
- B 1105
- C 1106
- D MILITARY
- E OTHER

G24B. GS GRADE

A 15	E 11	J 07
B 14	F 10	K 06
C 13	G 09	L 05
D 12	H 08	M OTHER

G25. PROCESSING TIME

G26. RESERVED

G27. SYSCOM USE

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z

G28. LOCAL USE

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z

DEPARTMENT OF NAVY OVERPRINT

DD FORM 350R, OCT 99

INDIVIDUAL CONTRACTING ACTION REPORT

REPORT CONTROL SYMBOL DD-A&T(M)1014

PART A

A1. TYPE OF REPORT: C (0 Original 1 Cancelling 2 Correcting)
A2. REPORT NO.: 0708
A3. CONTRACTING OFFICE CODE: EL14B
A4. NAME OF CONTRACTING OFFICE: ONR

PART B

B1. CONTRACT IDENTIFICATION INFORMATION
B1A. CONTRACT NUMBER: 99C0377
B1B. ORIGIN OF CONTRACT: A (A DoD B NASA C Other Non-DoD Agency)
B1C. RESERVED
B2. MODIFICATION, ORDER OR OTHER IO NUMBER: P00001
B3. ACTION DATE (YYYYMMDD): 3-28-2000
B4. COMPLETION DATE (YYYYMMDD): 20010831

B5. CONTRACTOR IDENTIFICATION INFORMATION
B5A. CONTRACTOR IDENTIFICATION NUMBER: 18325250
B5B. GOVERNMENT AGENCY: N (Y Yes N No)
B5C. CAGE CODE: 0958
B5D. CONTRACTOR NAME AND DIVISION NAME: Tree Research Inc.
B5E. CONTRACTOR ADDRESS (Street, City, State, Zip Code): 4600 Silicon Drive Durham NC 27703
B5F. TIN
B5G. PARENT TIN
B5H. PARENT NAME

B6. PRINCIPAL PLACE OF PERFORMANCE
B6A. CITY OR PLACE CODE: 19000
B6B. STATE OR COUNTRY CODE: 37
B6C. CITY OR PLACE AND STATE OR COUNTRY NAME: Durham NC

B7. TYPE OBLIGATION: 1 (1 Obligation 2 Deobligation)
B8. TOTAL DOLLARS (Enter whole dollars only): 374947
B9. FOREIGN MILITARY SALE: N (Y Yes N No)
B10. MULTIYEAR CONTRACT: N (Y Yes N No)
B11. TOTAL MULTIYEAR VALUE (Enter whole dollars only)

B12. PRINCIPAL PRODUCT OR SERVICE
B12A. FSC OR SVC CODE: AD91
B12B. DOD CLAIMANT PROGRAM CODE: S10
B12C. PROGRAM, SYSTEM OR EQUIPMENT CODE: 000
B12D. SIC CODE: 8731
B12E. NAME/DESCRIPTION: SWIMCS

B13. KIND OF CONTRACTING ACTION
B13A. CONTRACT/ORDER: 3 (1 Letter Contract; 3 Definitive Contract; 4 Order under an Agreement; 5 Order under Indefinite-Delivery Contract (IDC); 6 Order/Call under Federal Schedule; 8 Order from Procurement List; 9 Purchase Order/Call)
B13B. TYPE OF INDEFINITE-DELIVERY CONTRACT: (A Requirements Contract (FAR 52.216-21); B Indefinite-Quantity Contract (FAR 52.216-22); C Definite-Quantity Contract (FAR 52.216-20))
B13C. MULTIPLE/SINGLE AWARD IDC(S): (M Multiple Award S Single Award)
B13D. MODIFICATION: C (A Additional Work (new agreement); B Additional Work (other); C Funding Action; D Change Order; E Termination for Default; F Termination for Convenience; G Cancellation; H Exercise of an Option; J Definitization of a Letter Contract)
B14. CICA APPLICABILITY: B (A Pre-CICA; B CICA Applicable; C Simplified Acquisition Procedures Other than FAR Subpart 13.5; D Simplified Procedures Pursuant to FAR Subpart 13.5)

PART C *(Do Not Complete This Part If Block B5B is Coded Y)*

C1. SYNOPSIS: B (A Synopsis Only; B Combined Synopsis/Solicitation; N No)
C2. REASON NOT SYNOPSIZED: (A Urgency; B Use of FACNET; Z Other Reason)
C3. EXTENT COMPETED: A (A Competed Action; B Not Available for Competition; C Follow-On to Competed Action; D Not Competed)
C4. SEA TRANSPORTATION: N (Y Yes - Positive Response to DFARS 252.247-7022 or 252.212-7000(c)(2); N No - Negative response to DFARS 252.247-7022 or 252.212-7000(c)(2); U Unknown - No Response or Provision Not Included in Solicitation)
C5. TYPE OF CONTRACT: T (A Fixed-Price Redetermination; J Firm-Fixed-Price; K Fixed-Price Econ. Price Adj.; L Fixed-Price Incentive; M Fixed-Price-Award-Fee; R Cost-Plus-Award-Fee; S Cost Contract; T Cost-Sharing; U Cost-Plus-Fixed-Fee; V Cost-Plus-Incentive-Fee; Y Time-and-Materials; Z Labor-Hour)
C6. NUMBER OF OFFERORS SOLICITED: 2 (1 One; 2 More than One)
C7. NUMBER OF OFFERS RECEIVED: 002
C8. SOLICITATION PROCEDURES: E (A Full & Open Competition - Sealed Bid; B Full & Open Competition - Competitive Proposal; C Full & Open Competition - Combination; D Architect-Engineer; E Basic Research; F Multiple Award Schedule; G Alternative Sources; K Set-Aside; M Reserved; N Other than Full & Open Competition)
C9. AUTHORITY FOR OTHER THAN FULL & OPEN COMPETITION: (1A Unique Source; 1B Follow-On Contract; 1C Unsolicited Research Prop; 1D Patent/Data Rights; 1E Utilities; 1F Standardization; 1G Only One Source - Other; 2A Urgency; 3A Particular Sources; 4A International Agreement; 5A Authorized by Statute; 5B Authorized Resale; 6A National Security; 7A Public Interest)
C10. SUBJECT TO LABOR STANDARDS STATUTES: Z (A Walsh-Healey Act; C Service Contract Act; D Davis-Bacon Act; Z Not Applicable)
C11. COST OR PRICING DATA: N (Y Yes - Obtained; N No - Not Obtained; W Not Obtained - Waived)
C12. CONTRACT FINANCING: Z (A FAR 52.232-16; B Reserved; C Percentage of Completion PP; D Unusual PP or AP; E Commercial Financing; F Performance-Based Financing; Z Not Applicable)
C13. FOREIGN TRADE DATA
C13A. PLACE OF MANUFACTURE: (A U.S. B Foreign)
C13B. COUNTRY OF ORIGIN CODE
C14. COMMERCIAL ITEMS: N (Y Yes - FAR 52.212-4 Included; N No - FAR 52.212-4 Not Included)

PART D *(Do Not Complete This Part If Block B5B is Coded Y or if B13A is coded 6)*

D1. TYPE OF CONTRACTOR
D1A. TYPE OF ENTITY: B (A Small Disadvantaged Business Performing in U.S.; B Other Small Business Performing in U.S.; C Large Business Performing in U.S.; D JWOD Participating Nonprofit Agency; F Hospital; L Foreign Concern/Entity; M Domestic Firm Performing Outside U.S.; U Historically Black College or University or Minority Institution (HBCU/MI); V Other Educational; Z Other Nonprofit)
D1B. HUBZONE REPRESENTATIO: N (Y Yes N No)
D2. REASON NOT AWARDED TO SMALL DISADVANTAGED BUSINESS (SDB): A (A No Known SDB Source; B SDB Not Solicited; C SDB Solicited/No Offer; D SDB Solicited/Offer Not Low; Z Other Reason)
D3. REASON NOT AWARDED TO SMALL BUSINESS (SB): A (A No Known SB Source; B SB Not Solicited; C SB Solicited/No Offer; D SB Solicited/Offer Not Low; Z Other Reason)
D4. PREFERENCE PROGRAM
D4A. TYPE OF SB SET-ASIDE: A (A None; B Total SB Set-Aside; C Partial SB Set-Aside; E Total SDB Set-Aside; F Very Small Business Set-Aside; Y Emerging Small Business Set-Aside)
D4B. TYPE OF SDB SET-ASIDE/SDB PREFERENCE: A (A None; B Section 8(a); C Total SDB Set-Aside; D SDB Price Evaluation Adjustment - Unrestricted; E SDB Preferential Consideration - Partial SB Set-Aside)
D4C. HBCU/MI SET-ASIDE: A (A None; B HBCU or MI - Total Set-Aside; C HBCU or MI - Partial Set-Aside)
D4D. TYPE OF HUBZONE PREFERENCE: A (A None; B Set-Aside; C Price Evaluation Preference; D Sole Source Award)
D4E. PREMIUM PERCENT
D5. ETHNIC GROUP: (A Asian-Indian American; B Asian-Pacific American; C Black American; D Hispanic American; E Native American; F Other SDB Certified/Determined by SBA; Z No Representation)
D6. WOMEN-OWNED BUSINESS: N (Y Yes; N No; U Uncertified)
D7. SMALL BUSINESS INNOVATION RESEARCH (SBIR) PROGRAM: A (A Not a SBIR Program Phase I/II/III; B SBIR Program Phase I Action; C SBIR Program Phase II Action; D SBIR Program Phase III Action)
D8. SUBCONTRACTING PLAN - SB, SDB, OR HBCU/MI: B (A Plan Not Included - No Subcontracting Possibilities; B Plan Not Required; C Plan Required, Incentive Not Included; D Plan Required, Incentive Included)
D9. SMALL BUSINESS COMPETITIVENESS DEMONSTRATION PROGRAM: N (Y Yes N No)
D10. SIZE OF SMALL BUSINESS — NUMBER OF EMPLOYEES: (A 50 or Fewer; B 51 - 100; C 101 - 250; D 251 - 500; E 501 - 750; F 751 - 1,000; G Over 1,000) or AVERAGE ANNUAL GROSS REVENUE ($): (M 1,000,000 or Less; N 1,000,001 - 2,000,000; P 2,000,001 - 3,500,000; R 3,500,001 - 5,000,000; S 5,000,001 - 10,000,000; T 10,000,001 - 17,000,000; U Over 17,000,000)
D11. EMERGING SMALL BUSINESS: (Y Yes N No)

PART E

E1	E2	E3	E4	E5	E6	E7	E8

PART F

F1. NAME OF CONTRACTING OFFICER OR REPRESENTATIVE: Russell Dunson
F2. SIGNATURE: (b) (6) [redacted]
F3. TELEPHONE NO.: 8375
F4. DATE (YYYYMMDD): 00 03 28

DD FORM 350, OCT 1999 PREVIOUS EDITION IS OBSOLETE.

CONTRACT APPROVAL AND CHECKLIST

Contractor: CREE RESEARCH INC

Contract Number: N00014-99-C-0377-

Modification Number: P00001 Date: 28 Mar 00

R&T PROJECT CODE: 00PR06700-00 — 01 Code: 254

Approving Code	Initials	Date	Comments
Requesting Activity SO			
254:Russelle L. Dunson	(b) (6) [redacted]	3-28-00	
OOCC			
Subcontracting Plan Approval			
ONR 43 (Security)	(b) (6) [redacted]	3-28-00	
Contracting Officer			

	Applies	Encl.	Pend.		Applies	Encl.	Pend.
Initial Synopsis				Proc. Integrity File Documentation			
J&A				CHINFO			
Code OOCC1 (Patent Clearance)				Award Synopsis			
Method of Contracting D&F							
Other D&F							
Audit Report/Waiver Memo							
Contractor Support Services (CAAS)							
Nonpersonal Services Determination							
Wage Determination				PR/Req. Date			
EFT				PR/Req. Rec'd in Code 15			
Human Volunteers				Mailed to Contractor			
ADP Approval				Beginning Date of Contract Action 24 MAR 00			
EEO				Mail Attn:			
DD Form 254 (Security)				Negotiated Value: $0.00			
Precontract Cost Documentation				Obligated by this PR: $100,000.00			
Subcontracting Plan				Program Element:			
Contractor Reps & Certs				Remarks:			
Offeror's BAA Submittal Statement							
Property Justification Documents							
DD Form 1547 (Weighted Guidelines)							
Cert of Current Cost & Pricing Data							
Clearance Memo							
DD Form 350 (Contract Action Report)							

Contract Distribution Sheet

PR Number: 00PR06700-00
Contract Number: N00014-99-C-0377-/P00001
Specialist: RLD ONR: 254

Distribution Date: 3-30-2000 Distributed By: (b) (6)

__ PCO, ONR Arlington (Original)

__ Contractor (Duplicate Original)
Short Contractor Code and Address:
CREE
CREE RESEARCH INC
4600 SILICON DRIVE
DURHAM, NC 27703

__ ACO
ACO MILSCAP Code & Address S1103A:
DCMC ATLANTA
805 WALKER STREET SUITE 1
MARIETTA, GA 30060-2789

__ Payment Office
DODAAD Code and Address HQ0338:
DFAS COLUMBUS CENTER DFAS CO SOUTH ENTITLEMENT OPERATIONS
PO BOX 182264
COLUMBUS, OH 43218-2264

__ ONR:
00CC11
Program Officer: George Campisi, ONR 334

INDIVIDUAL CONTRACTING ACTION REPORT

REPORT CONTROL NUMBER

PART A

A1 TYPE OF REPORT: 0 Original 1 Cancelling 2 Correcting

A2 REPORT NO.: 7069

A3 CONTRACTING OFFICE CODE: 66114B

A4 NAME OF CONTRACTING OFFICE: ONR

PART B

B1. CONTRACT IDENTIFICATION INFORMATION

B1A. CONTRACT NUMBER: N00014-99-C-0377

B1B. ORIGIN OF CONTRACT: A DoD B NASA C Other Non-DoD Agency — A

B2. MODIFICATION ORDER OR OTHER ID NUMBER:

B3 ACTION DATE (YYYYMMDD): 1999-09-22

B4 COMPLETION DATE (YYYYMMDD): 20001031

B5. CONTRACTOR IDENTIFICATION INFORMATION

B5A. CONTRACTOR IDENTIFICATION NUMBER: 133252501

B5B. GOVERNMENT AGENCY: N — Y Yes N No

B5C. CAGE CODE: 0C9JK

B5D. CONTRACTOR NAME AND DIVISION NAME: Cree Research Inc.

B5E. CONTRACTOR ADDRESS (Street, City, State, ZIP Code): 4600 Silicon Drive Durham NC 27703

B5F. TIN: 561572719

B5G. PARENT TIN:

B5H. PARENT NAME:

B6. PRINCIPAL PLACE OF PERFORMANCE

B6A. CITY OR PLACE CODE: 19000

B6B. STATE OR COUNTRY CODE: 37

B6C. CITY OR PLACE AND STATE OR COUNTRY NAME: Durham NC

B7. TYPE OF OBLIGATION: 1 Obligation 2 Deobligation — 1

B8. TOTAL DOLLARS (Enter whole dollars only): 105 000

B9. FOREIGN MILITARY SALE: N — Y Yes N No

B10. MULTIYEAR CONTRACT: N — Y Yes N No

B11. TOTAL MULTIYEAR VALUE (Enter whole dollars only):

B12. PRINCIPAL PRODUCT OR SERVICE

B12A. FSC OR SVC CODE: A991

B12B. DOD CLAIMANT PROGRAM CODE: 510

B12C. PROGRAM SYSTEM OR EQUIP CODE: 0002

B12D. SIC CODE: 8731

B12E. NAME / DESCRIPTION: Switches

B13. KIND OF CONTRACTING ACTION

B13A. CONTRACT/ORDER: 3
1 Letter Contact
3 Definitive Contract
4 Order under an Agreement
5 Order under Indefinite Delivery Contract (IDC)
6 Order/Call under Federal Schedule
8 Order from Procurement List
9 Purchase Order/Call

B13B. TYPE OF INDEFINITE DELIVERY CONTRACT:
A Requirements Contract (FAR 52.216-21)
B Indefinite Quantity Contract (FAR 52.216-22)
C Definite Quantity Contract (FAR 52.216-20)

B13C. MULTIPLE/SINGLE AWARDS IDC(S): M Multiple Award S Single Award

B13D. MODIFICATION: A
A Additional Work (new agreement)
B Additional Work (other)
C Funding Action
D Change Order
E Termination for Default
F Termination for Convenience
G Cancellation
H Exercise of an Option
J Definitization of a Letter Contract

B14. CICA APPLICABILITY: B
A Pre-CICA
B CICA Applicable
C Simplified Acquisition Procedures Other than FAR Subpart 13.6
D Simplified Procedures Pursuant to FAR Subpart 13.6

PART C (Do Not Complete This Part If Block B5B Is Coded Y)

C1. SYNOPSIS: B
A Synopsis Only
B Combined Synopsis/Solicitation
N No

C2. REASON NOT SYNOPSIZED:
A Urgency
B Use of FACNET
Z Other Reason

C3. EXTENT COMPETED: A
A Competed Action
B Not Available for Competition
C Follow-on to Competed Action
D Not Competed

C4. SEA TRANSPORTATION: N
Y Yes - Positive Response to DFARS 252.247-7022 or 252.212-7000(c)(2)
N No - Negative Response to DFARS 252.247-7022 or 252.212-7000(c)(2)
U Unknown - No Response or Provision Not Included in Solicitation

C5. TYPE OF CONTRACT: J
A Fixed-Price Redetermination
J Firm-Fixed Price
K Fixed-Price Economic Price
L Fixed Priced Incentive
R Cost Plus Award-Fee
S Cost Contract
T Cost-Sharing
U Cost-Plus-Fixed-Fee
V Cost-Plus-Incentive-Fee
Y Time-and-Materials
Z Labor-Hour

C6. NUMBER OF OFFERORS SOLICITED: 2
1 One
2 More than one

C7. NUMBER OF OFFERS RECEIVED: 002

C8. SOLICITATION PROCEDURES: E
A Full & Open Competition - Sealed Bid
B Full & Open Competition - Competitive Proposal
C Full & Open Competition - Combination
D Architect - Engineer
E Basic Research
F Multiple Award Schedule
G Alternative Sources
K Set-Aside
M Reserved
N Other than Full & Open Competition

C9. AUTHORITY FOR OTHER THAN FULL & OPEN COMPETITION:
1A Unique Source
1B Follow-on Contract
1C Unsolicited Research Prop
1D Patent/Data Rights
1E Utilities
1F Standardization
1G Only one Source - Other
2A Urgency
3A Particular Sources
4A International Agreement
5A Authorized by Statue
5B Authorized Resale
6A National Security
7A Public Interest

C10. SUBJECT TO LABOR STANDARDS STATUTES: Z
A Walsh-Healey Act
C Service Contract Act
D Davis-Bacon Act
Z Not Applicable

C11. CERTIFIED COST OR PRICING DATA: N
Y Yes - Obtained
N No - Not Obtained
W Not Obtained - Waived

C12. CONTRACT FINANCING: Z
A FAR 52.232-16
B DFARS 252.232-7003
C Percentage of Completion PP
D Unusual PP or AP
E Commercial Financing
F Performance-Based Financing
Z Not Applicable

C13. FOREIGN TRADE DATA

C13A. PLACE OF MANUFACTURE: A U.S. B Foreign

C13B. COUNTRY OF ORGIN CODE:

C14. COMMERCIAL ITEMS: N
Y Yes - FAR 52.212-4 Included
N No - FAR 52.212-4 Not Included

PART D (Do Not Complete This Part If Block B5B Above Is Coded Y or If Block B13B Is Coded 6)

D1. TYPE OF BUSINESS: B
A Small Disadvantaged Business Performing in U.S.
B Other Small Business Performing in U.S.
C Large Business Performing in U.S.
D JWOD Participating Nonprofit Agencies
F Hospital
L Foreign Concern/Entity
M Domestic Firm Performing Outside U.S
U Historically Black Colleges and Universities or Minority Institutions (HBCU/MI)
V Other Educational
Z Other Nonprofit

D2. REASON NOT AWARDED TO SMALL DISADVANTAGED BUSINESS (SDB): A
A No Known SDB Source
B SDB Not Solicited
C SDB Solicited/No Offer
D SDB Solicited/Offer Not Low
Z Other Reason

D3. REASON NOT AWARDED TO SMALL BUSINESS (SB):
A No Known SB Source
B SB Not Solicited
C SB Solicited/No Offer
D SB Solicited/Offer Not Low
Z Other Reason

D4. PREFERENCE PROGRAM: A

D4A. TYPE OF SB SET-ASIDE:
A None
B Total SB Set-Aside
C Partial SB Set-Aside
E Total SDB Set-Aside
Y Emerging Small Business Set-Aside

D4B. TYPE OF SDB SET-ASIDE/SDB PREFERENCE: A
A None
B Section 8(a)
C Total SDB Set-Aside
D SDB Evaluation Preference - Unrestricted
E SDB Preferential Consideration - Partial SB Set-Aside
F SDB Evaluation Preference in Construction

D4C. HBCU/MI SET-ASIDE: A
A None
B HBCU or MI - Total Set-Aside
C HBCU or MI - Partial Set-Aside

D4D. Reserved

D4E. Premium Percent

D5. ETHNIC GROUP:
A Asian-Indian American
B Asian-Pacific American
C Black American
D Hispanic American
E Native American
F Other SDB Certified/determined by SBA
Z No Representation

D6. WOMEN-OWNED BUSINESS: N
Y Yes
N No
U Uncertified

D7. SMALL BUSINESS INNOVATION RESEARCH (SBIR) PROGRAM: A
A Not a SBIR Program Phase I/II/III
B SBIR Program Phase I Action
C SBIR Program Phase II Action
D SBIR Program Phase III Action

D8. SUBCONTRACTING PLAN - SB, SDB, OR HBCU/MI: B
A Plan Not Included - No Subcontracting Possibilities
B Plan Not Required
C Plan Required, Incentive Not Included
D Plan Required, Incentive Included

D9. DEMONSTRATION TEST PROGRAM: N
Y Yes
N No

D10. SIZE OF SMALL BUSINESS

NUMBER OF EMPLOYEES OR AVERAGE ANNUAL GROSS REVENUE ($)
A 50 or Fewer
B 51 - 100
C 101 - 250
D 251 - 500
E 501 - 750
F 751 - 1,000
G Over 1,000
M 1,000,000 or Less
N 1,000,001 - 2,000,000
P 2,000,001 - 3,500,000
R 3,500,001 - 5,000,000
S 5,000,001 - 10,000,000
T 10,000,001 - 17,000,000
U Over 17,000,000

D11. EMERGING SMALL BUSINESS:
Y Yes
N No

PART E

E1 | E2 | E3 | E4 | E5 | E6 | E7 | E8

PART F

F1. NAME OF CONTRACTING OFFICER OR REPRESENTATIVE: Russell Dunson

F2. SIGNATURE: (b) (6)

F3. TELEPHONE NO.: 8375

F4. DATE (YYYYMMDD): 19990820

CONTRACT APPROVAL AND CHECKLIST

Contractor: CREE RESEARCH INC

Contract Number: N00014-99-C-0377-

Modification Number:

Date: 26 Aug 99

R&T PROJECT CODE: 99PR07572-00

Code: 254

Approving Code	Initials	Date	Comments
Requesting Activity SO	(b) (6)		
254:Russelle L. Dunson	[redacted]	8-26-99	
OOCC 254 Reviewed	(b) (6)	9/1/99 9-10-99	Make corrections as shown for pp. 1 (cover sheet), 2 (Secs. B+C), & p. 3 (Sec. F), mb
Subcontracting Plan Approval			
ONR 43 (Security)			
Contracting Officer			

	Applies	Encl.	Pend.		Applies	Encl.	Pend.
Initial Synopsis				Proc. Integrity File Documentation			
J&A				CHINFO			
Code OOCC1 (Patent Clearance)				Award Synopsis			
Method of Contracting D&F							
Other D&F							
Audit Report/Waiver Memo							
Contractor Support Services (CAAS)							
Nonpersonal Services Determination							
Wage Determination				PR/Req. Date			
EFT				PR/Req. Rec'd in Code 15			
Human Volunteers				Mailed to Contractor			
ADP Approval				Beginning Date of Contract Action 14 JUN 99			
EEO				Mail Attn:			
DD Form 254 (Security)				Negotiated Value: $0.00			
Precontract Cost Documentation				Obligated by this PR: $105,000.00			
Subcontracting Plan				Program Element:			
Contractor Reps & Certs				Remarks:			
Offeror's BAA Submittal Statement							
Property Justification Documents							
DD Form 1547 (Weighted Guidelines)							
Cert of Current Cost & Pricing Data							
Clearance Memo							
DD Form 350 (Contract Action Report)							

Contract Distribution Sheet

PR Number: 99PR07572-00
Contract Number: N00014-99-C-0377-
Specialist: RLD ONR: 254

Distribution Date: 9-22-99 Distributed By: (b) (6)

__ PCO, ONR Arlington (Original)

__ Contractor (Duplicate Original)
Short Contractor Code and Address:
CREE
CREE RESEARCH INC
4600 SILICON DRIVE
DURHAM, NC 27703

__ ACO
ACO MILSCAP Code & Address S1103A:
DCMC ATLANTA
805 WALKER STREET SUITE 1
MARIETTA, GA 30060-2789

__ Payment Office
DODAAD Code and Address HQ0338:
DFAS COLUMBUS CENTER DFAS CO SOUTH ENTITLEMENT OPERATIONS
PO BOX 182264
COLUMBUS, OH 43218-2264

__ ONR:
00CC11
Program Officer: George Campisi, ONR 334

9-21-99