

B-2 SPIRIT

Alternative Dispute Resolution Memorandum of Agreement Between The Department of the Air Force and Northrop Grumman Corporation

1. The Department of the Air Force and Northrop Grumman Corporation (collectively the Parties) have entered into contracts F33657-81-C-0067, -87-C-2000, -83-C-2037, -92-C-3600, -95-C-0003, -96-C-4000, -97-D-0012, -90-C-3307, -87-C-2001, F33604-94-C-0070 and F33601-95-C-0694 to acquire the B-2 SPIRIT. The Parties share the objective of supplying America's war fighters with technologically advanced and reliable equipment in a timely manner and at a reasonable price to promote swift, safe and successful accomplishment of the national defense mission. These contracts contain the "Disputes" clause (FAR 52.233-1) to implement the Contract Disputes Act of 1978. However, as contemplated by FAR 33.214, the Parties also recognize that Alternative Dispute Resolution (ADR) procedures, involving collaborative techniques, can be used as an alternative to Disputes Clause procedures in order to avoid the disruption and high cost of litigation which detracts from mission accomplishment.
2. The Parties agree that they will try to resolve all issues in controversy arising under or related to the contract by negotiation and mutual agreement at the contracting officer's level. If negotiations reach an impasse, the Parties agree to use to the maximum extent feasible one or more of the ADR processes contemplated by FAR 33.2 to reduce or eliminate the need for litigation. The Parties further agree that any ADR process must be structured to allow sufficient time to exchange and analyze any information necessary to obtain and justify a settlement.
3. Consistent with FAR 33.214, in cases where the Parties decide to use ADR, the Parties will prepare and agree to a specific, written ADR agreement appropriate to the controversy, before the ADR process begins. The agreement should normally address the following (as appropriate): authorized representatives for each party; ADR techniques and processes to be utilized and procedures to be followed; methods for the exchange of information; a schedule and procedures for any discovery proceedings, including how to limit discovery/factual exchange; use of, appointment and payment of neutrals; whether and to what extent to stay or suspend any pending litigation; possible audit requirements; confidentiality; at what point the Parties will begin negotiations; and a provision for termination of the agreement.

4. If the contracting officer rejects a contractor's request to use ADR proceedings, the contracting officer shall provide the contractor a written explanation citing one or more of the conditions in 5 U.S.C. 572(b) or such other specific reasons that ADR procedures are inappropriate for the resolution of the dispute. See 41 U.S.C. 605(e) and FAR 33.214(b). In any case where a contractor rejects the government's request to use ADR proceedings, the contractor shall inform the agency in writing of the contractor's specific reasons for rejecting the request.

5. It is not the intent of the Parties that this agreement alter, supplement or deviate from the terms and conditions of any contract between the Parties, or legal rights and obligations of the Parties set forth therein. Any changes to those contracts must be executed in writing by authorized contracting officials.

6. In the event either party believes a particular issue is not well-suited to ADR, or is dissatisfied with progress being made in a particular ADR proceeding, that party may, after good faith efforts to resolve the issue, elect to abandon the ADR processes and proceed as otherwise provided under contract, regulation or statute. Nothing in this Agreement shall be deemed to prevent either party from preserving and exercising its legal rights and remedies during the ADR process.


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System Program Director
B-2 Systems Program Office

31 Aug 99
Date


Phillip W. Filson
Contracting Officer

31 Aug 99
Date


T. L. Williams, Vice President
B-2 Program Manager
Contractor Program Director

30 Aug 1999
Date


N. F. Piscitelli
B-2 Business Manager
Contractor Director of Contracts

30 Aug 1999
Date