



Space Based Infrared Systems (SBIRS)
Program Office

Alternate Dispute Resolution
Memorandum of Agreement

Between
The Department of the Air Force
and
TRW Inc.

1. The Department of the Air Force (Air Force), and TRW Inc. (**collectively** the Parties) have entered into contract ~~F04701-99-C-0047~~ to acquire Space Based Infrared System Low Program Definition and Risk Reduction. The Parties share the objective of supplying America's war fighters with technologically advanced and reliable equipment in timely manner and at a reasonable price to promote **swift**, safe and **successful** accomplishment of the national defense mission. This contract contains the "Disputes" clause (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 may, as appropriate, be used as an alternative to Disputes Clause procedures **in** order to avoid the disruption and high cost of litigation which distracts **from** mission accomplishment.

2. ~~TRW Inc. and the Department of the Air Force have previously entered into a corporate agreement that~~ set forth the overarching principles concerning the use of alternative dispute processes. In keeping with the objectives of that agreement, the Parties at the Program Management level 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.

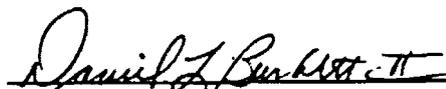
3. Consistent with FAR 33.214, in cases where the Parties decide to use ADR, the Parties will prepare and agree to a specific, written ADR agreement appropriate to the controversy, before the ADR process begins. The agreement should normally address the following (as appropriate): authorized **representatives** 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; appointment and payment of neutrals; whether and to what extent to

stay or suspend any pending litigation; **possible** audit requirements; confidentiality, at which point the parties will begin negotiations; and a provision for termination of the agreement.

4. If the Contracting **Officer** rejects the 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) & FAR **33.214(b)**. If the 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** contracts between the Parties, or the 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 process 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.



DANIEL L. BURKETT II, Col, USAF
Program Director
Space Based **Infrared** Systems

13 SEP 99
Date



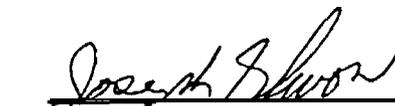
WILMA F. SLADE, Col, USAF
Chief of Contracts
Space Based **Infrared** Systems

13 Sep 99
Date



PATRICK CARUANA
Program Manager, SBIRS Low
TRW Inc.

8/31/99
Date



JOSEPH AVON
./Division Contracts Manager
Defense Systems Division
TRW Inc.

31 Aug 99
Date