



DEFENSE CONTRACT MANAGEMENT AGENCY
DCMA AERONAUTICAL SYSTEMS DIVISION DALLAS
600 N PEARL STREET, SUITE 1630
DALLAS, TX 75201-2843

IN REPLY
REFER TO: DCMAA-ABEC

FEBRUARY 12, 2007

SUBJECT: Advance Agreement between Overwatch Systems, Ltd., Austin, Texas and the Defense Contract Management Agency (DCMA) regarding Overwatch's Earned Value Management System (EVMS).

PURPOSE: This document establishes an Advance Agreement on Overwatch's EVM System between the U.S. Government and Overwatch Systems, Ltd. (OWS). The foundation of this Agreement is the Overwatch intent to be in continuous conformance with ANSI/EIA Standard 748, EVMS and DFAR 252.234-7000 [March 2005]

As of the date of this agreement, the U.S. Government and Overwatch Systems, Ltd., agree that:

This document establishes an Advance Agreement between DCMA TEXAS and Overwatch Systems, Ltd., Austin, Texas, regarding the implementation and maintenance of an Earned Value Management System at Overwatch Systems, Ltd, Austin, Texas. This agreement specifically addresses the use of the OWS Earned Value Management System (per the OWS EVM System Description, Document Number 03-010411) to meet the Earned Value Management System Criteria established by the Department of Defense Regulation 5000.2R, Appendix VI.

Whereas, the contractor has demonstrated certain management systems and subsystems as identified in Overwatch's Earned Value Management System Description, Document Number 03-010411 dated May 1, 2006, and

DCMA Ground Systems & Munitions Division, Carson, California, by letter dated January 8, 2007, did recognize the compliance of such systems and subsystems with the EVMS Criteria, then

DCMA TEXAS AND OVERWATCH SYSTEMS, AUSTIN, TEXAS AGREE THAT:

(1) Such systems and subsystems which have been recognized as indicated above, together with approved changes thereto, shall apply to future RDT&E and Software Development contracts, which require compliance with Earned Value Management System Criteria, entered into between the contractor and the Government.

(2) As a result of this agreement Overwatch Systems, Ltd., Austin, Texas agrees to maintain their Earned Value Management System as an integrated management system, through an internal surveillance program. DCMA reserves the right to perform surveillance


independently or jointly with Overwatch Systems, Ltd., and/or the prime contractor at any time, if the situation so dictates.

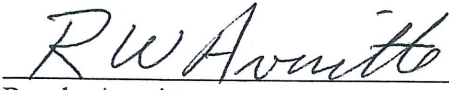
(3) Overwatch will provide access to all records and data requested by the appropriate U.S. Government authorized representatives regarding the Overwatch EVM System at all times.

PRIOR-APPROVAL WAIVER FOR EVMS SYSTEM CHANGES REQUIRED:

Unless a waiver is granted by the ACO, Contractor-proposed EVMS changes require approval of the ACO prior to implementation. The ACO shall advise the Contractor of the acceptability of such changes within 30 calendar days after receipt of the notice of proposed changes from the Contractor. If the advance approval requirements are waived by the ACO, the Contractor shall disclose EVMS changes to the ACO at least 14 calendar days prior to the effective date of implementation. This applies to all contracts, both current and future, which contain DFARS clause 252.234-7001 [MAR 2005] or are subject to EVMS inclusion.

This Advance Agreement will remain in force indefinitely, subject to modification by mutual agreement or termination by either party.


Richard J. Furlong III
Administrative Contracting Officer
DCMA


Randy Averitte
Executive Vice President
Overwatch Systems, Ltd.