



Mesa Terms & Conditions

Additional Provisions for Government Fixed Price Incentive Contracts

1. INCENTIVE PRICE REVISION—FIRM TARGET AND SUCCESSIVE TARGETS

This Contract incorporates the Federal Acquisition Requisition (FAR) Clauses 52.216–16 (Incentive Price Revision - Firm Target) and FAR 52.216–17 (Incentive Price Revision - Successive Targets), paragraphs (i) and (j), modified so as required by subparagraph (j) (1) by reference.

2. CALCULATION OF INCENTIVE PRICE

In conjunction with incorporating FAR 52.216–16 (Incentive Price Revision - Firm Target) into this Contract the following changes are hereby made:

(A) 52.216–16 Paragraph (a), Line 2 delete the words "in the Schedule as items {Contracting Officer insert Schedule line item number}" and insert in lieu thereof the words "set forth in this Contract".

(B) 52.216–16 Paragraph (a), insert _____ "dollars (\$)" in the space provided for the ceiling price. This amount is the Ceiling Price and is the maximum amount that MDHS will be obligated to pay Seller under this Contract. This amount can only be changed pursuant to the Changes Clause of the General Terms and Conditions governing this Contract or may be changed by mutual agreement of the parties hereto.

(C) 52.216–16 Paragraph (c), delete the space and the words "{Contracting Officer insert number of days}" and insert in lieu thereof the words "thirty (30) days".

(D) 52.216–16 Paragraph (d), after the word "follows" delete the remainder of this paragraph and insert the following in lieu thereof:

When the Total Final The Adjustment for

Negotiated Cost Is: Profit or Loss Is:

Equal to the total The total target profit

target cost

Greater than the total The total target profit less _____ percent

target cost (%) the amount by which the total final negotiated cost exceeds the

total target cost.

Less than the total The total target profit plus _____ percent

target cost (%) of the amount by which the total final negotiated cost is less than the

total final target cost.

For the purpose of the above calculations:

Total Target Cost = \$ _____

Total Target Profit = \$ _____

Total Target Price = \$ _____

Ceiling Price = \$ _____

percent (%) of Total Target cost

Sharing Arrangement _____

(E) 52.216–16 Paragraph (g), all references relating to tax credits in Subparagraph (2) are deleted.

(F) Insert at the end of 52.216–16 the following: "In this clause "Contractor" shall mean Seller and "Contracting Officer" and "Government" shall mean McDonnell Douglas Helicopter Systems (MDHS).

3. SETTLEMENT OF ACCOUNTS

If the final revised price is greater than the target price, Seller will be paid promptly upon completion and acceptance of all work hereunder the amount of the excess. If the revised price is less than the target price, Seller will promptly refund the difference to MDHS.

4. ADJUSTMENT OF BILLING PRICES

If at any time it appears that the finally determined unit prices of this Contract will be substantially greater or less than the unit prices at which the units under this Contract are being billed, this Contract may be amended to adjust such billing prices. Such adjustment will not limit or affect any price revision to be computed under other provisions of this Contract.

5. ACCESS TO RECORDS

MDHS and the Government may at all reasonable times make such examination or audit as MDHS or the Government may require of the Seller's books, records, documents, and other evidence, pertinent to the performance of this Contract. Each subcontract hereunder which is on other than a firm fixed-price basis shall include the substance of this clause including this sentence.

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