

~~CONFIDENTIAL~~

(b)(1)  
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(b)(6)

<b>AWARD/CONTRACT</b>	1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350)	RATING	PAGE OF PAGES
			1   39

2. CONTRACT (Proc. Inst. Ident.) NO.	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQUEST/PROJECT NO.
	05 June 2006	Multiple

5. ISSUED BY	CODE	6. ADMINISTERED BY (If other than Item 5)	CODE
Washington D.C. 20505			

7. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)	8. DELIVERY
L-3 Communications Titan Corporation 11955 Freedom Drive Reston, VA 20190	<input type="checkbox"/> FOB ORIGIN <input checked="" type="checkbox"/> OTHER (See below)

9. DISCOUNT FOR PROMPT PAYMENT	10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN	ITEM
		Section G

COBB 12266	FACILITY CODE 0005
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11. SHIP TO/MARK FOR	CODE	12. PAYMENT WILL BE MADE BY	CODE

13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION:	14. ACCOUNTING AND APPROPRIATION DATA
<input type="checkbox"/> 10 U.S.C. 2304(c) ( ) <input type="checkbox"/> 41 U.S.C. 253(c) ( )	

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

15G. TOTAL AMOUNT OF CONTRACT

(X)	SEC.	DESCRIPTION	PAGE(S)	(X)	SEC.	DESCRIPTION	PAGE(S)
PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES			
X	A	SOLICITATION/CONTRACT FORM	2	X	I	CONTRACT CLAUSES	30-38
X	B	SUPPLIES OR SERVICES AND PRICES/COSTS	3-9	PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH.			
X	C	DESCRIPTION/SPECS./WORK STATEMENT	10	X	J	LIST OF ATTACHMENTS	39
X	D	PACKAGING AND MARKING	10	PART IV - REPRESENTATIONS AND INSTRUCTIONS			
X	E	INSPECTION AND ACCEPTANCE	10	K		REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	
X	F	DELIVERIES OR PERFORMANCE	11-12	L		INSTRS., CONDS., AND NOTICES TO OFFERORS	
X	G	CONTRACT ADMINISTRATION DATA	13-18	M		EVALUATION FACTORS FOR AWARD	
X	H	SPECIAL CONTRACT REQUIREMENTS	19-30				

CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17.  CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return \_\_\_\_\_ 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 condition 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

19B. NAME	19C. DATE SIGNED	20B. NAME	20C. DATE SIGNED
	6-1-06		6-1-06

APPROVED FOR RELEASE DATE: 06-23-2010

~~CONFIDENTIAL~~

A-1.  Use of Facsimile Signatures (JUN 2002)

This Contract document may be executed in counterparts, each of which shall be deemed an original, all of which together shall constitute one and the same instrument. Facsimile signatures will be regarded as authentic by all parties.

**SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS**

**B-1 Contract Type (Hybrid Contract (CPAF, CPAF-LOE & FPAF))**

**CLIN001: Base Period 05 June 2006 to 31 May 2009 (CPAF)**

Initial LSIE infrastructure, delivery releases one through four, and engineering studies during three-year base period. See WBS for CLIN Breakout.

**CLIN002: Option Periods (CPAF-LOE)**

Other development, including Government directed special engineering studies during option years. See WBS for CLIN Breakout.

**CLIN003: Option Periods (CPAF)**

Operations to provide all delivered LSIE functionality in accordance with SLA prior to Final Operational Capability (FOC). See WBS for CLIN Breakout.

**CLIN004: Option Periods (FPAF)**

Operations to provide all delivered LSIE functionality in accordance with SLA beyond release 4, Final Operational Capability (FOC). See WBS for CLIN Breakout.

CLIN ID	Period of Performance	Type	Cost	Max AF	CPAF	Active
CLIN001	05 Jun 06 to 31 May 09	CPAF				
CLIN002A	01 Jun 09 to 31 May 10	CPAF/LOE				
CLIN002B	01 Jun 10 to 31 May 11	CPAF/LOE				
CLIN002C	01 Jun 11 to 31 May 12	CPAF/LOE				
CLIN003A*	01 Jun 07 to 31 May 08	CPAF				
CLIN003B	01 Jun 08 to 31 May 09	CPAF				
CLIN004A	01 Jun 09 to 31 May 10	FPAF				
CLIN004B	01 Jun 10 to 31 May 11	FPAF				
CLIN004C	01 Jun 11 to 31 May 12	FPAF				
Exercised CLINs	05 June 06 to 31 May 09					

\*O&M CLIN003A is expected to begin near month 12 with IOC analytic capability and 2B page cache of ingested material. Full IOC is at month 18 with 4B page cache of ingested material.

In accordance with 52.217-9 Option to Extend the Term of the Contract (MAR 2000), the Government reserves the right to require delivery of the effort identified as options at the prices stated in Section B-1.

Type of Contract and Consideration (CPAF) (OCT 2003) (CLIN 001)(CLIN 003 if exercised)

(a) This is a Cost-Plus-Award-Fee (CPAF) Completion type contract, as identified under Federal Acquisition Regulation (FAR) 16.405-2, in the total estimated amounts set forth below:

	CLIN001	CLIN003A (Not currently exercised)	CLIN003B (Not currently exercised)	Total (Exercised CPAF CLINs)
Estimated Cost:				
Maximum Award Fee:				
Total Estimated CPAF:				

(b) Award Fee shall be available for consideration of payment under the terms of the "Award Fee Provisions" set forth under Attachment 5 "Award Fee Plan" of this contract. The estimated cost and award fee is predicated upon the Contractor furnishing the total effort specified under the contract. In the event that the total effort is not provided, as specified, the fee may be adjusted accordingly. The availability of maximum Award Fee dollars, with respect to the evaluation periods is as follows:

Period No.	Dates	Award Fee Available	Award Fee Earned
1	05 Jun 2006 to 30 Nov 2006		TBD
2	01 Dec 2006 to 31 May 2007		TBD
3	01 Jun 2007 to 30 Nov 2007		TBD
4	01 Dec 2007 to 31 May 2008		TBD
5	01 Jun 2008 to 30 Nov 2008		TBD
6	01 Dec 2008 to 31 May 2009		TBD
Total	05 Jun 2006 to 31 May 2009		\$ -

(c) A provisional/interim fee payment, equivalent to  percent of the allowable costs incurred, is authorized for payment under this contract. Payment and/or adjustment of such provisional/interim fee, to reflect the actual fee earned/awarded during any given evaluation period, shall be made in accordance with the procedures and under the terms and conditions described under the clause entitled "Provisional Fee Payment and Adjustment".

Type of Contract and Consideration (CPAF-LOET) (NOV 2005) (CLIN 002, if exercised)

(a) This is a Cost-Plus-Award-Fee (CPAF) Level-of-Effort Term (CPAF-LOET) type contract as described in FAR 16.305 in the total estimated amounts set forth below.

Estimated Cost: \$TBD
Base Fee: \$TBD
Maximum Award Fee: \$TBD
Total Estimated CPAF: \$TBD

(b) The Contractor shall expend its best effort towards accomplishing the Scope of Contract work outlined above. The level-of-effort required for total performance under this contract shall consist of a minimum of TBD labor hours and/or a maximum of TBD labor hours. For the purposes of this contract, one person-week shall consist of forty (40) direct, straight time hours expended by an individual assigned to and working under this contract.

(c) Award fee shall be available for consideration of payment under the terms of the "Award Fee Provisions" set forth under Attachment 5 "Award Fee Plan" of this contract. The availability of maximum award fee dollars, with respect to the evaluation periods, is as follows:

Table with 4 columns: Period No., Dates, Award Fee Available, Award Fee Earned. Rows include periods 1, 2, n, and a TOTAL row.

(d) A provisional/interim fee payment, equivalent to [ ] percent of the allowable costs incurred, is authorized for payment under this contract. Payment and/or adjustment of such provisional/interim fee, to reflect the actual fee earned/awarded during any given evaluation period, shall be made in accordance with the procedures and under the terms and conditions described under the clause entitled "Provisional Fee Payment and Adjustment".

(e) The estimated composition of the total labor-hours under this contract is as follows: TBD

Table with 2 columns: Labor Category, Direct Labor Hours. Rows include [ ], [ ], and a TOTAL row.

(f) The Contractor shall continually evaluate the total level-of-effort required and recommend, to the Government, changes thereto which are considered beneficial in attaining the overall objectives of this contract. In controlling the utilization of labor-hours, the Contractor shall promptly notify the Contracting Officer, in writing, when there is an indication that premature exhaustion of the total labor-hours of effort is predicted.

(g) It is understood and agreed that the rate of labor-hours per month may fluctuate in pursuit of the technical objective; however, such fluctuations will be controlled to avoid an exhaustion of the total labor-hours of effort before the expiration of the term of the contract.

(h) It is further agreed that the Contractor may submit written requests for acceleration of the average hourly rate of effort that will result in the utilization of the total labor-hours set forth above prior to the

expiration date of this contract. If the Contracting Officer approves the request, the accelerated performance shall be without increase in fee and the transaction formalized by modification to this contract.

(i) On or about the completion date of this contract, the Contractor shall submit to the Contracting Officer a brief certified statement supported by a breakdown, by labor category, of the labor hours actually expended in the performance of this contract.

(j) The fee for performance under this contract is predicated upon the Contractor furnishing at least the minimum but up to and including the maximum effort specified. In the event the minimum effort is not provided as specified, the Government may, at its unilateral option, reduce both the base fee and the award fee pool proportionally. Such reduction, if necessary, will be applicable to all fees including those awarded/earned. The fee shall be adjusted downward in accordance with the following formula:

$$\text{Fee Reduction} = \text{Fee (In \$)} \times \frac{(\text{Target LOE} - \text{Expended LOE})}{\text{Target LOE}}$$

"Fee Reduction" computed by the above formula is the dollar amount by which the fee specified in the contract will be reduced. "Fee" in the above formula means the base fee and maximum award fee for CPAF type contracts. "LOE" in the above formula means "level of effort".

(k) In the event the Government desires in additional level-of-effort in excess of the maximum labor-hours specified prior to contract completion, the parties may negotiate to make an equitable adjustment of the amount of fee payable hereunder.

**Type of Contract and Consideration (FPAF) (OCT 2003) (CLIN 004, if exercised)**

(a) This is a Fixed-Price-Award-Fee (FPAF) contract as identified in FAR 16.404. The total price for full performance hereunder is set forth below:

	CLIN004A (not currently exercised)	CLIN004B (not currently exercised)	CLIN004C (not currently exercised)	Total (exercised FPAF CLINs)
Firm-Fixed-Price:				
Maximum Award Fee				
Total FPAF:				

(b) Award Fee shall be available for consideration of payment under the terms of the "Award Fee Provisions" set forth under Attachment "to be finalized prior to IOC" of this contract. The availability of maximum Award Fee dollars, with respect to the evaluation periods is as follows: TBD

Period No.	Dates	Award Fee Available	Award Fee Earned
1	( )	\$( )	\$( )
2	( )	\$( )	\$( )
n	( )	\$( )	\$( )
TOTAL:		\$( )	\$( )

(c) A provisional/interim fee payment, equivalent to  percent of the allowable price incurred, is authorized for payment under this contract. Payment and/or adjustment of such provisional/interim fee, to reflect the actual fee earned/awarded during any given evaluation period, shall be made in accordance with the procedures and under the terms and conditions described under the clause entitled "Provisional Fee Payment and Adjustment"

**B-2.  Incorporation of Award Fee Plan (OCT 2003)**

The parties hereto agree that the fee payable under this contract shall be established in accordance with the award fee plan attached hereto and made a part hereof.

**B-3.  Scope of Contract (Statement of Work) (OCT 2003)**

The Contractor shall, in accordance with the terms and conditions set forth hereafter, furnish the necessary qualified personnel, services, travel, facilities, and materials (except those specifically designated to be provided by the Government) and do all things necessary and incident to completion of the contractual effort in accordance with the Section C, Statement of Work (SOW).

**B-4.  Limitation of Funds - Fixed-Price Contract (JAN 2004) (CLIN 004, if exercised)**

(a) This firm-fixed-price contract is incrementally funded. The sum of \$TBD (when Option CLIN 004 is exercised) is presently available for payment and is allotted to this contract. The parties contemplate that the Government will allot funds to this contract in accordance with the following schedule: TBD

On execution of contract	\$ **
(month) (day), 200x	\$ **
(month) (day), 200x	\$ **
(month) (day), 200x	\$ **

(b) 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 for the Government's convenience, approximates the total amount currently allotted to the contract. The Contractor will not be obligated to continue work on this contract beyond that point. The Government is not obligated to reimburse the Contractor for costs incurred in excess of the total amount allotted to this contract by the Government notwithstanding any language to the contrary in clauses elsewhere in this contract including but not limited to "Type of Contract and Consideration" and "Termination for Convenience of the Government". As used in this clause, the total amount payable by the Government in the event of termination for convenience includes costs incurred for work performed prior to termination, profit on work done by the Contractor for the terminated portion, and estimated termination settlement costs.

(c) Notwithstanding the dates specified in the allotment schedule in paragraph (a) of this clause, the Contractor will notify the Contracting Officer in writing at least 90 days before the date when, in the Contractor's best judgment, the total amount payable by the Government (including any cost for termination for convenience), will approximate 85 percent of the total amount allotted to the contract. The notification will state (1) the estimated date when the Contractor will reach the 85 percent point and (2) an estimate of additional funding, if any, needed to continue performance of the contract up to the next scheduled date for allotment of funds identified in paragraph (a) 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 contract effort funded pursuant to this clause, for a subsequent period as may be specified in the allotment schedule in paragraph (a) of this clause or otherwise agreed to by the parties. If the Government does not allot additional funds by the date identified in the Contractor's notification, or by an agreed substitute date after such notification, the Contracting Officer will terminate any effort, for which additional funds have not been allotted, pursuant to the clause of this contract entitled "Termination for Convenience of the Government".

(d) When the Government allots additional funds for continued performance of the contract, the parties will agree to the period of contract performance that will be covered by the funds. The provisions of paragraphs (b) through (d) of this clause will apply in like manner to the additional allotted funds and agreed substitute date, and the Contracting Officer will modify the contract accordingly.

(e) If, solely by reason of failure of the Government to allot additional funds by the dates indicated above in amounts sufficient for timely performance of the contract, 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 (including appropriate target, billing, and ceiling price where applicable) of the contract, 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 before termination allot additional funds for performing the contract.

(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 as set forth in paragraph (a) of this clause. This clause no longer applies once the Government fully funds the contract, except with regard to the rights or obligations of the parties concerning equitable adjustments negotiated under paragraphs (d) and (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".

\*\* To be inserted after negotiation.

**B-5. [ ] Allotted Contract Funding (JAN 2004) (CLIN 001)( CLIN 002 & CLIN 003, if exercised)**

Pursuant to the "Limitation of Funds" clause, the funding presently available and allotted for the performance of this contract is set forth below. The Government shall not be obligated to reimburse the Contractor for costs incurred in excess of this amount and the Contractor shall not be obligated to continue performance under this contract or otherwise incur costs in excess of the stipulated amount. The Government estimates that the allotment will cover the period of performance identified below:

Allotted: [ ]  
 Period: 05 Jun 2006 through 30 September 2006

**B-6. Limited-Time Option**

The parties agree that the Government may exercise, as a priced option, performance as set forth in the [ ] proposal. This option, which expires 120 days from contract start, is at the cost of [ ] for all CLINs, or the delta between the 23 May 2006 proposal (awarded) and the 08 May 2006 proposal (B-6 option). If exercised within 60 days of contract start, the delivery dates remain unchanged as proposed based upon a 01 June 2006 contract start. After 60 days, the delivery dates will be adjusted with a day-for-day slip from the day the option is exercised and 01 June 2006.

CLIN	Period of Performance	Type	Cost	MSR AF	CPAF
CLIN001	05 Jun 06 to 31 May 09	CPAF			
CLIN	Period of Performance	Type	Cost	MSR AF	CPAF
CLIN002A	01 Jun 09 to 31 May 10	CPAF/LOE			
CLIN002B	01 Jun 10 to 31 May 11	CPAF/LOE			
CLIN002C	01 Jun 11 to 31 May 12	CPAF/LOE			
CLIN	Period of Performance	Type	Cost	MSR AF	CPAF
CLIN003A	01 Jun 07 to 31 May 08	CPAF			
CLIN003B	01 Jun 08 to 31 May 09	CPAF			
CLIN	Period of Performance	Type	Cost	MSR AF	CPAF
CLIN004A	01 Jun 09 to 31 May 10	FPAF			
CLIN004B	01 Jun 10 to 31 May 11	FPAF			
CLIN004C	01 Jun 11 to 31 May 12	FPAF			

**SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT**

**C-1. [ ] Statement of Work (OCT 2003)**

The Sponsor's Statement of Work entitled "FBIS Large Scale Internet Exploitation (LSIE)" dated 02 December 2005, which is incorporated by reference or attached hereto, is made a part of this contract.

**SECTION D - PACKAGING AND MARKING**

\*\*\*N/A\*\*\*

**SECTION E - INSPECTION AND ACCEPTANCE**

**E-1. 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/these address(es): [www.arnet.gov/far](http://www.arnet.gov/far)

- 52.246-2 Inspection of Supplies - Fixed-Price. AUG 1996
- 52.246-3 Inspection of Supplies - Cost-Reimbursement. MAY 2001
- 52.246-4 Inspection of Services - Fixed-Price. AUG 1996
- 52.246-5 Inspection of Services - Cost-Reimbursement. APR 1984

**E-2. [ ] Testing Related to Electronic Communication Equipment (APR 1984)**

The Contractor understands and agrees that any testing plan or activity related to electronic communications equipment developed, produced, or used under this contract will require approval of the Contracting Officer to ensure compliance with provisions of Executive Order 12333 and Attorney General-approved implementing procedures. If such testing is contemplated under this contract, Contractor must communicate with the Contracting Officer or a designated customer representative as early as possible for specific information and guidance concerning approved Executive Order procedures. Prior to receipt of approval, the Contractor will not engage in any such testing which may, in any way, involve the collection of the contents of nonpublic communications of individuals without their consent.

**E-3. [ ] Inspection and Acceptance at Destination (MAR 2004)**

Final inspection and acceptance of work accomplished, services provided and/or items produced or deliverable under this contract shall be performed at destination by cognizant Government personnel.

**E-4. [ ] Inspection and Acceptance Test Procedures (APR 1984)**

The inspection or acceptance of work accomplished and/or items produced or deliverable under this contract shall be performed in accordance with the procedures and prerequisites established under the Inspection and Acceptance Test Procedures developed by the Contractor and approved by the Government for application under the contract provision entitled "Inspection and Acceptance."

**SECTION F - DELIVERIES OR PERFORMANCE****F-1. 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/these address(es): [www.arnet.gov/far](http://www.arnet.gov/far)

52.242-15 Stop-Work Order. (AUG 1989) - Alternate I APR 1984

**F-2. Late Delivery (AUG 1996)**

When the Contractor encounters difficulty in meeting performance requirements, or anticipates difficulty in complying with the contract delivery schedule or date, it shall immediately notify the Contracting Office in writing giving pertinent details; provided, however, that this data shall be informational only in character and that this provision shall not be construed as a waiver by the Government of any delivery schedule or any rights or remedies provided by law or under this contract.

**F-3. Period of Performance (AUG 1996)**

The period of performance of this contract shall be from 05 June 2006 to 31 May 2009.

This contract contains a three-year base period and several option periods:

<b>Exercised</b>	<b>Period of Performance</b>	<b>Type</b>	<b>Scope</b>
CLIN001	05 Jun 06 to 31 May 09	CPAF	Development Work
<b>Options</b>	<b>Period of Performance</b>	<b>Type</b>	<b>Scope</b>
CLIN002A	01 Jun 09 to 31 May 10	CPAF/LOE	Engineering Studies
CLIN002B	01 Jun 10 to 31 May 11	CPAF/LOE	Engineering Studies
CLIN002C	01 Jun 11 to 31 May 12	CPAF/LOE	Engineering Studies
CLIN003A	01 Jun 07 to 31 May 08	CPAF	Operations & Maintenance
CLIN003B	01 Jun 08 to 31 May 09	CPAF	Operations & Maintenance
CLIN004A	01 Jun 09 to 31 May 10	FPAF	Operations & Maintenance
CLIN004B	01 Jun 10 to 31 May 11	FPAF	Operations & Maintenance
CLIN004C	01 Jun 11 to 31 May 12	FPAF	Operations & Maintenance

**F-4. Place of Performance (AUG 1996)**

The principal place of performance under this contract shall be the Contractor's facilities located at

**F-5. Contract Status Report (DEC 2001) (Modified)**

Monthly contract status reports shall be submitted in 5 copies to the Contracting Officer not later than 15 calendar days after the close of the month covered by the report. Such report shall be in the format of the Monthly Contract Status Report exemplar. Failure to submit this report will result in delay in payment of invoices.

**F-6. [ ] Protected Shipment (MAR 2004)**

(a) In the event any material or items are, or may later become, SECRET or CONFIDENTIAL, and when the size or weight of such material or items classified SECRET or CONFIDENTIAL makes shipment by registered mail impractical, commercial shipment shall be made as directed by the Contracting Officer. The Contractor must securely crate and band the material; and, before shipment, the Contractor shall advise the Contracting Officer of:

- (1) The date the material shall be shipped;
- (2) The approximate date of arrival; and
- (3) The approximate weight, size, and number of cartons.

(b) Bulk shipments of TOP SECRET material shall be made only after the Contractor notifies the Contracting Officer that the material is ready for shipment and requests specific instructions regarding such shipment.

**F-7. [ ] Shipping Instructions - COTR Directed (AUG 1996)**

Deliverable reports and data submissions shall be delivered in accordance with instructions to be provided by the Contracting Officer's Technical Representative (COTR).

**SECTION G - CONTRACT ADMINISTRATION DATA**

**G-1. [Redacted] Settlement - Cost Type Contracts (APR 2006)(CLIN 001)(CLIN 002 & CLIN 003, if exercised)**

Upon completion of the subject contract, the Contractor shall submit the following documents:

- (a) Level-of-Effort Certification (if applicable, breakdown by labor category and hours expensed) (One copy required)
- (b) Electronic Funds Transfer Information (EFT) - The submission of this information is required to keep our payment database current. (One copy required)
- (c) Final Property Closeout Statement (Government Furnished Property (GFP) and Contractor Acquired Property (CAP) (One copy required)
- (d) Final Patent and Royalty Statement (in accordance with FAR 52.227-11, 52.227-12, and 52.227-13, as appropriate) (One copy required)
- (e) Final Invoice or Voucher (also referred to as Final Cumulative Claim and Reconciliation [FCCR]). Once final annual indirect expense rates have been established or the contractor wishes to use approved quick-close rates, Contractor shall submit a "FINAL" invoice or voucher. The receipt of an invoice marked "FINAL" shall initiate the settlement of this contract. This "FINAL" invoice is not to be transmitted via electronic submission, but must be submitted in hard copy to the address listed below. (One copy required)

One set of closeout documentation (a), (b), (c), and (d) shall be mailed, postage prepaid, to the Contracting Officer at the address on page 1 of this contract.

One complete set of closeout documentation shall be mailed, postage prepaid, to:

**Contract Settlements**

[Redacted]  
Washington, DC 20505

[Redacted]

If you have any questions in regard to the closeout procedure, please contact the settlements office directly.

**G-2. [ ] Settlement - Fixed Price Services (APR 2006) (CLIN 004, if exercised)**

Upon completion of the subject contract, the Contractor shall submit the following documents:

(a) Level-of-Effort Certification (if applicable, breakdown by labor category and hours expended) (One copy required)

(b) Electronic Funds Transfer Information (EFT) - The submission of this information is required to keep our payment database current. (One copy required)

(c) Final Property Closeout Statement (Government Furnished Property (GFP) and Contractor Acquired Property (CAP) (One copy required)

(d) Final Patent and Royalty Statement (in accordance with FAR 52.227-11, 52.227-12, and 52.227-13, as appropriate) (One copy required)

One complete set of closeout documentation shall be mailed, postage prepaid, to the Contracting Officer at the address on page 1 of this contract.

If you have any questions in regard to the closeout procedure, please contact the Contracting Officer.

**G-3. [ ] Billing Cycle (JAN 2004)**

Pursuant to the "Electronic Submission of Payment Requests" clause, the Government will issue payment only after services have been rendered. Consequently, Contractors shall submit invoices in arrears and no more frequently than monthly.

**G-4. [ ] - Submission of Invoices (JAN 2004)**

Notwithstanding the provisions of the clause of this contract at FAR 52.216-7, Allowable Cost and Payment, Contractors shall not submit invoices or requests for contract interim payment more often than once a month.

**G-5. [ ] ELECTRONIC SUBMISSION OF PAYMENT REQUESTS (APR 2006)**

(a) *Definitions.* As used in this clause-

(1) "Contract financing payment" and "invoice payment" have the meanings given in FAR section 32.001.

(2) "Electronic form" means using the Agency's Web Invoicing System (WInS) to transmit information electronically from the Contractor to the internal contract management system. The Agency does not consider facsimile, e-mail, and scanned documents electronic forms.

(3) "Payment request" means any request for contract financing payment or invoice payment submitted by the Contractor under a contract.

(b) Except as provided in paragraphs (c) and (e) of this clause, the Contractor shall submit payment requests using the Agency's Web Invoicing System (WInS). If the Contractor is not registered in WInS, the Contractor shall call the Vendor Service Center on [ ] within two weeks of contract award to register. Items needed to facilitate registration include: a valid contract number and the name, phone number, and e-mail address for the Contractor's point of contact. The Contractor may make inquiries regarding invoices to the payment office on [ ]

(c) If the Contractor is unable to submit a payment request in electronic form, or the Agency is unable to receive a payment request in electronic form, the Contractor shall submit the payment request using a method mutually agreed to by the Contractor, the Contracting Officer, and the payment office.

(d) In addition to the requirements of this clause, the Contractor shall meet the requirements of the appropriate payment clauses in this contract when submitting payment requests.

(e) The Contractor shall submit the final invoice or voucher for cost reimbursement contracts in accordance with the "Settlement - Cost Type Contracts" clause of this contract.

**G-6. [Redacted] Authority and Designation of a Contracting Officer's Technical Representative (COTR) (MAR 2004)**

(a) Authority: Performance of this contract is subject to the technical guidance, supervision and approval of the Contracting Officer or a designated Contracting Officer's Technical Representative (COTR). As used herein, "technical guidance" is restricted to scientific, engineering or other technical field-of-discipline matters directly related to the work to be performed. Such guidance may be provided for the purposes of filling in details, clarifying, interpreting or otherwise serving to accomplish the technical objectives and requirements of the contract. In addition, and unless specified elsewhere in this contract, the authority of the designated COTR is specifically limited to the technical administration of this contract and the inspection of supplies being produced, services being provided or work being performed to assess compliance with the scope, estimated cost (if cost-reimbursement), schedule, and technical requirements of the contract.

(b) Designation: The individual(s) identified below is/are authorized access to all information concerning this contract during the life of the contract unless this authorization is reassigned by an administrative change to the contract:

Name Telephone No.

[Redacted]

Alternate Name Telephone No.

[Redacted]

(c) Notification: The Contracting Officer is the only representative of the Government authorized to negotiate, enter into, modify or take any other action with respect to this contract. Therefore, no other employee or representative of the Government has the authority to initiate a course of action which may alter the terms or conditions of this contract. All revisions to specifications, requirements or informal commitments that may involve a change in either the total cost/price, scope, delivery schedule, or legal aspects of this contract must be done by change order or supplemental agreement, to be negotiated and signed by the Contracting Officer. Should any action by Government personnel (other than the Contracting Officer) imply a commitment on the part of the Government that would affect the terms of this contract, the Contractor must notify the Contracting Officer and obtain approval before proceeding. Otherwise, the Contractor proceeds at its own risk.

**G-7. [Redacted] Novation/Change-of-Name Notification Requirement (MAR 2004)**

(a) For the purposes of this contract, any transfer of the contractor's assets to a third party, or change to the contractor's name, that fall under FAR 42.12, will be processed in a centralized manner by the staff at the following address:

[Redacted]

Washington, DC 20505

(b) Until the settlement of this contract is completed, the Contractor shall provide written notification to this staff via facsimile within (30) thirty days of any fore-mentioned changes. Along with details of the change, your notification shall provide a point of contact name, title, clearance level, and phone and fax numbers.

(c) After receiving this notification, your designee will receive a letter with instructions to assist in the preparation of the novation/change-of-name package. Our organization will typically recognize Other Government Agency (OGA) Agreements; however, we have unique security requirements that must be addressed before formally accepting these agreements.

(d) You are reminded that you must continue to invoice under your former name on existing contracts until this Agency accepts your novation and/or change-of-name agreement by issuance of a letter recognizing the agreement. In addition, you are NOT authorized to request changes to your banking information to recognize a successor company on existing contracts until this Agency accepts your novation and/or change-of-name agreement. Any delays in submitting the required information may impact your ability to invoice.

(e) A submission of a novation or name change agreement does not guarantee approval by this organization and if a change is deemed unacceptable, the contractor will remain under contractual obligation to perform. The contract may be terminated for reasons of default should the contractor not perform.

**G-8. [Redacted] Government Property (NOV 2005)**

(a) *General:* The contractor shall maintain adequate property control procedures, records, and a system of identification of all Government property accountable to this contract in accordance with FAR Part.45 and the applicable Government Property clause incorporated by reference in Section I. The contractor must include this clause in all subcontracts that utilize Government property.

(b) *Government Property Administrator:* The Contracting Officer has delegated property administration authority to the Agency Property Administrator.

(c) *Contractor Property Representative:* The contractor shall provide written notification of the name, address, and telephone number of the contractor's designated property representative responsible for establishing and maintaining control of Government property under this contract to the Agency Property Administrator at the address indicated below within thirty (30) days after receipt of this contract.

**Contract Settlement**

Washington, DC 20505

If the contractor's Property Representative changes, the contractor must notify the Government Property Administrator of the change within 30 days.

(d) *Government Property List:* The Government shall deliver to the contractor the property identified in the Section J attachment entitled "Government Property Report" for use in the performance of this contract on a no-charge-for-use basis. The contractor may use Government property in their possession, which is accountable to other Agency contract(s), if the Contracting Officer(s) of the other contract(s) provides written authorization of their approval for use on a rent-free, non-interference basis.

(e) *Financial Reporting - General:* The Government must account for and report assets in accordance with 31 U.S.C. 3512 and 31 U.S.C. 3515, Federal Accounting Standards, and Office of Management and Budget (OMB) instructions. Since contractors maintain the official records for Government assets in their possession, the Government must periodically obtain data from those records to complete its financial reports. Changes in Federal Accounting Standards and OMB reporting requirements may occur from year to year, requiring contractor submission of supplemental information. The specific Statements of Federal Financial Accounting Standards (SFFAS) to be used for property records are SFFAS No. 3 "Accounting for Inventory and Related Property and Materials", SFFAS No. 6, "Accounting for Property, Plant and Equipment", and "SFFAS No. 11, "Amendments to PP&E: Definitions" issued by the Federal Accounting Standards Advisory Board.

(f) *Financial Reports:* To assist the Government with these requirements, the contractor's property control system shall report the total acquisition cost of Government property for which the contractor is accountable under this contract, including Government property as defined in FAR 45.101. The contracting officer will provide the total acquisition cost for all property furnished to the contractor by the Government in the Section J attachment entitled "Government Property Report". The contractor shall submit Quarterly and Annual Government Property Reports to the Government Property Administrator in accordance with the detailed instructions set forth in the Section J attachment entitled "Reporting Requirements for Government Property" to provide periodic updates to the list of property accountable to this contract and to provide information on contractor acquired property. The contractor shall also submit a Property Disposition Report with its Quarterly and Annual Reports to identify deletions from contract property records associated with this contract. The Quarterly, Annual, and Disposition Reports shall be considered updates to the Section J attachment entitled "Government Property Report". In addition, the contractor shall submit a Final Disposition Report within 30 days after disposition of all property accountable to this contract. Failure to provide required reports may result in termination of this contract, suspension of payment by the Government until required reporting is received, or other action as deemed appropriate by the Contracting Officer.

(g) *Documentation Required to Support Contractor Acquired Property Items:* The contractor shall furnish the Government Property Administrator a copy of all documentation to support the reported acquisition cost and acquisition date for all contractor acquired property valued at \$50,000 and above within thirty (30) days of delivery by the vendor to the contractor. All contractor acquired property purchases since the last submitted report must be reported on the next Quarterly Report.

(h) *Form 5025 - Annual Government Property Report:* After completing the Annual Government Property Report, the contractor shall submit the completed inventory to the COTR for validation and verification. The contractor shall receive a signed copy of the inventory back from the COTR. This will be verified during an audit conducted by the Government Property Administrator. The contractor shall also submit a signed copy of the Form 5025 - Annual Government Property Report along with the required Report attachments to the Government Property Administrator in accordance with the instructions in the Section J attachment entitled "Reporting Requirements for Government Property".

**SECTION H - SPECIAL CONTRACT REQUIREMENTS**

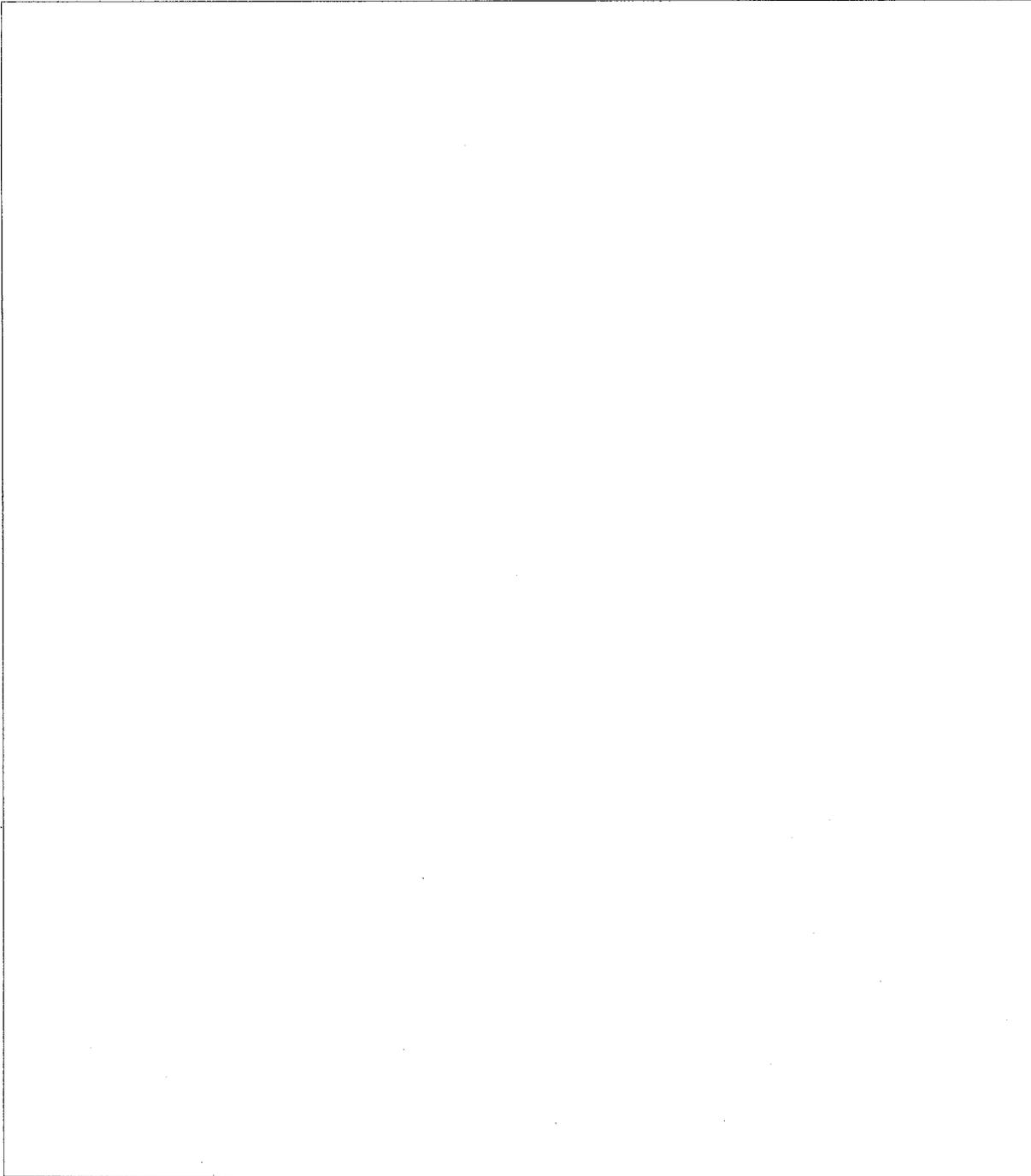
**H-1. [ ] Fraud, Waste, and Abuse - Unclassified Association (DEC 2002)**

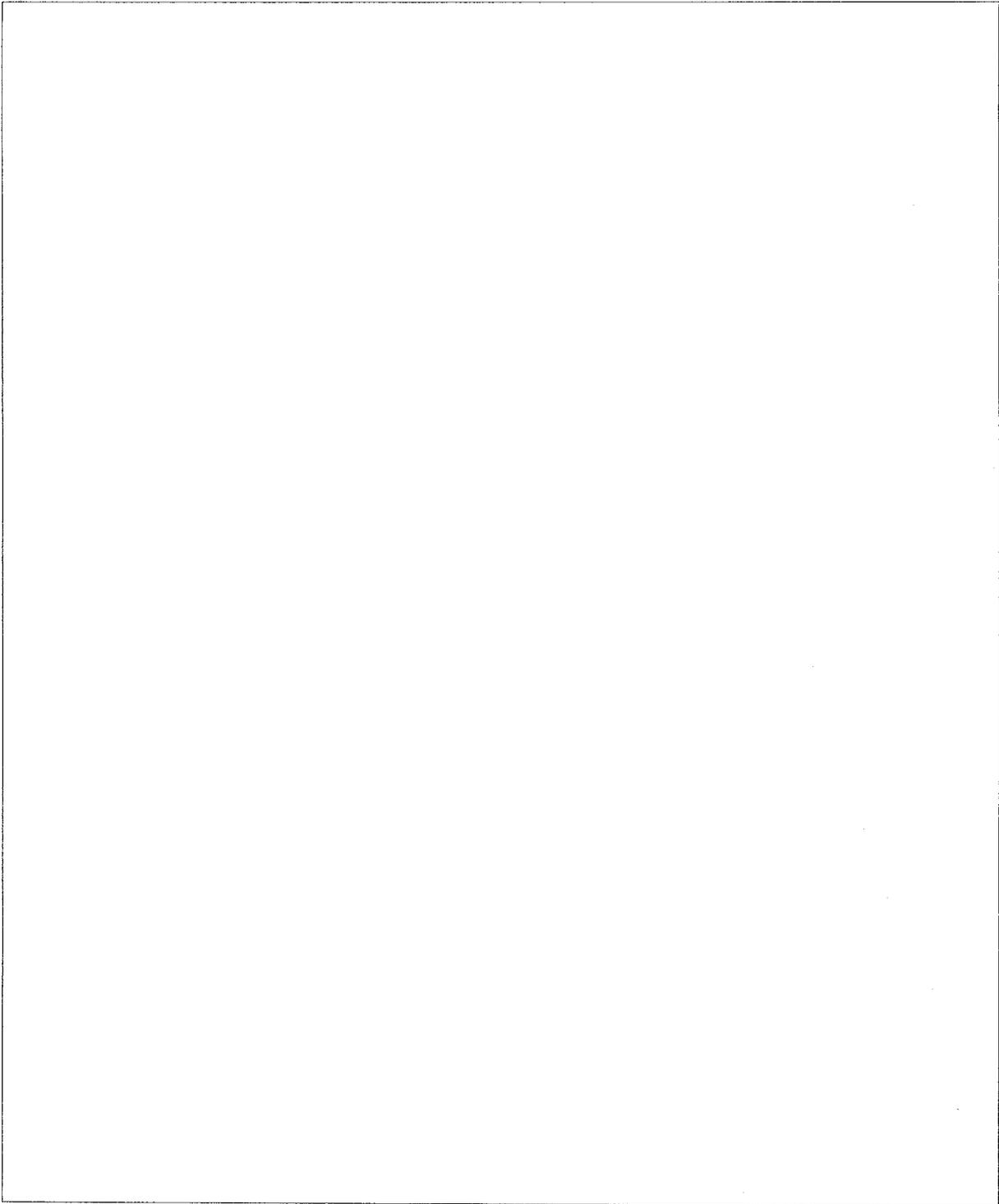
Anyone who suspects fraud, waste, or abuse in any aspect of the acquisition process or during performance of this contract by either Government or Contractor personnel should contact the Office of Inspector General, Investigations Staff, at phone number (703) 874-2600.

**H-2. [ ]**

**H-3. [ ] Security Requirements - General (SEP 2004)**







H-5. [ ] Non-Publicity (DEC 2003)

(a) The Contractor shall not use or allow to be used any aspect of this solicitation and/or contract for publicity. "Publicity" means, but is not limited to, advertising (e.g. trade magazines, newspapers, Internet, radio, television etc.), communications with the media, marketing, or a reference for new business. This shall include, but is not limited to, the use of the terms [ ] or any other sponsor specific terms in any public advertisements. It is further understood that this obligation shall not expire upon completion or termination of this contract, but will continue indefinitely. The Contractor may request a waiver or release from the foregoing but shall not deviate therefrom unless authorized to do so in writing by the Contracting Officer. Contractors are not required to obtain waivers when informing offices within this Agency of contracts it has performed or is in the process of performing provided there are no security restrictions. Contractors may include the requirement for security clearances up to the TS, SCI level in public employment advertisements.

(b) The Contractor shall include the substance of this clause, including this paragraph (b), in each subcontract issued under this contract.

H-6. [ ] Request for Clause Waiver Due to Security Requirements (JUL 1997)

When the Contractor, in performance of the work under this contract, finds the requirements of any of the clauses in this contract to be in conflict with security instructions, the Contractor shall call such conflict to the attention of the Contracting Officer and/or COSR. The Contracting Officer may issue a waiver in writing to:

- (a) modify or rescind such security requirements, or
- (b) waive compliance with such security requirements.

H-7. [ ] Foreign Ownership, Control, or Influence (SEP 2002)

(a) Notwithstanding the provisions of Section 3 of the NISPOM, the Government intends to secure services or equipment from firms which are not under foreign ownership, control, or influence (FOCI) or where any FOCI may, in the opinion of the Government, adversely impact on security requirements. Notwithstanding the limitation on contracting with an Offeror under FOCI, the Government reserves the right to contract with such Offerors under appropriate arrangements, when it determines that such contracts will be in the best interest of the Government.

(b) Accordingly, all Offerors responding to this RFP or initiating performance of a contract are required to submit a Standard Form (SF) 328, Certificate Pertaining to Foreign Interests (or update a previously submitted SF328), and a Key Management Personnel List (KMPL) with their proposal or prior to contract performance, as appropriate. All SF328s and KMPLs shall be executed at the parent level of an organization. However, the Government reserves the right to request a separate SF328 and KMPL at the level of the company negotiating a contract with the Government, when desired. Offerors are also required to request, collect, and forward to the Government Offeror's the SF328 from all Subcontractors undertaking classified work under the direction and control. Offerors are responsible for the thoroughness and completeness of each Subcontractor's SF328 submission. SF328 entries should specify, where necessary, the identity, nature, degree, and impact of any FOCI on their organization or activities, or the organization or activities of a subcontractor. Additionally, a KMPL must be submitted with each SF328 which identifies senior management by name, position, social security number, date/place of birth, and citizenship status.

(c) The Contractor shall, in any case in which it believes that foreign influence exists or is being sought over its affairs, or the affairs of any Subcontractor, promptly notify the Contracting Officer of all the pertinent facts, even if such influence is not exerted to the degree specified in the NISPOM.

(d) The Contractor shall provide an updated SF328 and KMPL no later than five years from the date as certified on the last submitted SF328. The Contractor shall also promptly disclose to the Contracting Officer any information pertaining to any interest of a FOCI nature in the Contractor or Subcontractor that has developed at any time during the contract's duration or has subsequently come to the Contractor's attention. An updated SF328 is required of the Contractor or any Subcontractor whenever there is a change in response to any of the 10 questions on the SF328.

(e) The Contractor is responsible for initiating the submission of the SF328 and KMP for all Subcontractors undertaking classified work during the entire period of performance of the contract.

**H-8. [ ] Security Requirements - Software Certification (JUN 1998)**

(a) The contractor certifies that it will undertake to ensure that any software to be provided or any Government Furnished Software to be returned, under this contract will be provided or returned free from computer virus, which could damage, destroy, or maliciously alter software, firmware, or hardware, or which could reveal to unauthorized persons any data or other information accessed through or processed by the software.

(b) The contractor shall immediately inform the Contracting Officer when it has a reasonable suspicion that any software provided or returned, to be provided or returned, or associated with the production may cause the harm described in paragraph (a) above.

(c) If the contractor intends to include in the delivered software any computer code not essential to the contractual requirement, this shall be explained in full detail to the Contracting Officer and Contracting Officer's Technical Representative (COTR).

(d) The contractor acknowledges its duty to exercise reasonable care, to include the following, in the course of contract performance:

(1) using on a regular basis current versions of commercially available anti-virus software to guard against computer viruses when introducing maintenance, diagnostic, or other software into computers; and

(2) prohibiting the use of non-contract related software on computers, especially from unknown or unreliable sources.

**H-9. [ ] Security Requirements - Program (SEP 2002)**

The Contractor shall maintain an overall Security Program in accordance with the requirements of the **National Industrial Security Program Operating Manual** dated **January 1995** which is hereby incorporated by reference and made a part hereof. All automated information systems utilized to process project information will be operated in accordance with the requirements of the **National Industrial Security Program Operating Manual Supplement** dated **February 1995**, its successor documents; or **Director of Central Intelligence Directive (DCID) 6/3**. Revisions to these documents, when published, will be provided to the Contractor and will become a part hereof upon such issuance.

H-10.  Personal Conduct (JUL 1997)

(a) The Contractor and its employees shall comply with the conduct requirements in effect at the Government's work site. The Government reserves the right to exclude or remove from the site any employee of the Contractor or of a subcontractor whom the Government deems careless, uncooperative, or whose continued employment on the work is deemed by the Government to be contrary to the public interest.

(b) The Contractor shall inform its employees that the Agency has a zero tolerance policy for harassing behavior and that it shall not be tolerated. Any Contractor employee who is found to be culpable in incidents of harassment shall be immediately escorted from the premises and denied further access. This policy creates a greater burden upon the conduct of Contractor employees. The Contractor shall emphasize this fact to its employees.

(c) Exclusion under the circumstances described in this clause shall not relieve the Contractor from full performance of the requirements of this contract, nor will it provide the basis for any claims against the Government.

H-11.  Notification of Issuance of Classified Subcontracts (JAN 2006)

(a) The contractor shall provide to the Contracting Officer written notice of all subcontracts issued hereunder wherein any aspect of the subcontract (work, reports, hardware, and/or if the subcontractor has a need to know the association between the Agency and the prime contractor) is classified using the "Subcontractor Notification Form". This form can be obtained from the Contracting Officer. The notice shall include (1) the name and address of the subcontractor(s), (2) a description of the supplies or services that are being acquired pursuant to the subcontract, and (3) a SF328 and KMPL on the subcontractor's parent organization as required by clause  of this contract. Such notice shall be provided to the Contracting Officer within 14 days of entering into such subcontracts.

(b) For the purpose of this clause, subcontract means a contract, as defined in FAR Subpart 2.1, entered into by a subcontractor to furnish supplies or services for performance of the prime contract or a subcontract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.

(c) The contractor's obligations under this clause are in addition to any other provision of this contract, if any, relating to subcontracting. The contractor is responsible for ensuring that all subcontractors having access to classified information must have the necessary Agency clearances.

(d) The contractor shall include a similar requirement in each subcontract issued under this contract wherein any aspect of the subcontract is classified. Subcontractors shall submit notices through the prime contractor to the Contracting Officer as described in paragraph (a) above.

**H-12. [ ] Reporting and Training Requirements for [ ] Approved Contractor Personnel (APR 2006)**

The Industrial Contractor who has staff-like [ ] access has the following mandatory reporting and training requirements:

(a) **Financial Disclosure.** A Financial Disclosure Form must be completed by the cleared individual within 30 days of approval date and then every two years depending upon their last name in accordance with Agency direction.

(b) **Foreign Contacts.** All unofficial foreign contacts must be reported in accordance with Agency Regulation [ ] Unofficial Contact with Foreign Nationals.

(c) **Foreign Travel.** All personal foreign travel must be reported in accordance with Agency Regulation [ ] Personal Foreign Travel.

(d) [ ] All contractors with access to Agency Information Systems must complete annual Infosec training.

(e) [ ] The contractor shall attend the Sponsor's next available [ ] briefing unless s/he has attended a [ ] briefing within the past five calendar years.

**H-13. [ ] Prohibition Against Recruiting in Agency Facilities (AUG 2004)**

(a) The Contractor shall inform its employees and subcontractors that they are not permitted to engage in employment recruitment while in any facility controlled by the Agency or to use Agency communications systems (e.g. cable and computer systems) and nonpublic information in connection with recruitment without written approval of the Contracting Officer. For purposes of this clause, recruitment refers to discussions of future employment with the contractor or subcontractor initiated by an employee of the contractor or subcontractor; distribution of employment forms or other employment paperwork, or similar activities directed towards obtaining the employment of an Agency employee by the contractor or subcontractor. Any Contractor or subcontractor employee who violates this policy may be denied further access to Agency facilities and systems. The Contractor shall emphasize this fact to its employees and subcontractors and shall include the substance of this clause in each subcontract issued under this contract.

(b) The prohibition set forth in paragraph (a) above does not apply to the recruitment of Agency personnel enrolled in the Agency's Career Transition Program. The prohibition also does not apply to the recruitment of Agency personnel for part-time work that does not conflict or interfere with Agency personnel's employment with the Agency, provided Contracting Officer approval has been obtained consistent with paragraph (a) above.

(c) Exclusion under the circumstances described in paragraph (a) of this clause shall not relieve the Contractor from full performance of the requirements of this contract, nor will it provide the basis for any claims against the Government.

**H-14. [ ] Incorporation of Section K Representations, Certifications, and Other Statements of Offerors or Respondents (OCT 2003)**

SECTION K which has been completed and submitted with Contractor's proposal dated **23 May 2006** is incorporated herein by reference and made a part of this contract.

**H-15. [ ] Order of Precedence (OCT 2003)**

(a) Any inconsistency in this contractual document (inclusive of documents, provisions or exhibits referenced herein or attached hereto) shall be resolved by giving precedence in the following order:

- (1) The Schedule (excluding the SOW and specifications)
- (2) Attachment A - Incentive and Award Fee Plan (if applicable)
- (3) Statement of Work
- (4) Other provisions of the contract when attached or incorporated by reference
- (5) Specifications
- (6) Technical Provisions of the Contractor's Proposal(s) dated **23 May 2006**.

(b) If a conflict or inconsistency arises out of any of the contract elements listed above, the Contractor shall notify the Contracting Officer of the conflict or inconsistency for final and unilateral resolution. Under no circumstances will such conflicts or inconsistencies result in increases to target cost, fee, award fee or schedule extensions.

**H-16. [ ] Key Personnel (AUG 1996)**

(a) The Contractor shall identify the key technical, management and administrative personnel to be assigned to work under this contract:

Name	Title

(b) The personnel specified above are considered to be essential to the work performed hereunder. Prior to diverting any of the specified individuals to other programs, the Contractor shall provide advance notification of at least thirty (30) calendar days to the Contracting Officer and shall submit resumes of the proposed substitutes in sufficient detail to permit evaluation of the impact on the program. No diversion from the above procedure shall be made by the Contractor without the written consent of the Contracting Officer, provided that the Contracting Officer may ratify in writing such diversion and such ratification shall constitute the consent of the Contracting Officer required by this clause.

**H-17. [ ] Provisional Fee Payment and Adjustment (OCT 2003)**

Provisional/Interim billing and payment of fee, equivalent to [ ] percent of allowable costs incurred, is authorized. Adjustment of such provisional fee payments, to reflect and account for the actual fee

earned/awarded (Award Fee) for the period evaluated, shall be made in accordance with the following criteria:

(1) **Underpayment of Fee:** If the cumulative amount of Provisional Fee payments made during the applicable evaluation/billing period is less than the fee awarded/earned (Award Fee) for that same period, the Contractor shall submit a separate invoice for and the Government shall remit payment of the balance of fee to be paid under the terms of the Award Fee Provisions of this contract.

(2) **Overpayment of Fee:** If the cumulative amount of Provisional Fee payments made during the applicable evaluation/billing period is in excess of the fee awarded/earned (Award Fee) for the same period, the Government shall deduct/offset the payment of Provisional Fee and costs incurred from subsequent invoices (i.e. such deductions/offsets shall be applied to both Provisional Fee and, if necessary, costs incurred). To assist the Government in this regard, the Contractor is requested to reflect such adjustments on subsequent invoices.

(3) **Provisional Fee Payment Ceiling:** Notwithstanding any other provisions contained herein, the Government shall not be obligated to make Provisional Fee payments in excess of the Award Fee available for the given evaluation/billing period.

**H-18. [ ] Payment of Contractor Travel (JAN 2004)**

(a) Travel costs incurred under this contract are allowable subject to the limitations contained in Federal Acquisition Regulation (FAR) 31.205-46.

(b) There are some circumstances under which the contractor must obtain approval from the Contracting Officer prior to undertaking travel. They are—

- (1) When travel is in excess of a predetermined travel allocation;
- (2) When the contractor has doubt about whether a cost is allowable; and
- (3) When foreign travel is involved.

**H-19. [ ] Contractor Performance Evaluation (MAR 2004)**

(a) In accordance with FAR 42.15, and as otherwise provided by this contract, the Contractor's performance under this contract shall be subject to evaluation as follows:

- (1) Final evaluation shall be conducted for all contracts after completion of contract performance; and
- (2) Interim evaluations may be conducted at the government's discretion.

(b) Past performance evaluation reports shall be retained by the Government to provide source selection information for a period not to exceed three years after contract completion. In accordance with FAR 9.105, the Contracting Officer shall also consider relevant past performance information when making responsibility determinations.

(c) The Contracting Officer shall provide appropriate extracted information from the completed interim (if applicable) and final reports to the Contractor as soon as practicable after completion of the report. The Contractor shall have a maximum of 30 calendar days after the date of the letter forwarding the information to submit written comments, rebutting statements, or additional information. The Government will consider rebuttals and other information provided by the Contractor and will render a final determination regarding the contractor's performance during that period of the evaluation.

(d) The performance evaluation conducted pursuant to this clause shall be separate from the award fee determination(s) rendered under the terms of this contract.

**H-20. [ ] Past Performance Information - Referencing Agency Contracts (MAR 2004)**

This contract may be listed as a reference for past performance purposes only in offers submitted to agencies and organizations within the Intelligence Community, provided the Contractor requests and receives the written approval of the Contracting Officer in advance. Failure to comply with this requirement may result in the Agency being unable to respond to a reference request and may also result in a termination for default.

**H-21. [ ] Changes Requiring No Equitable Adjustment (MAR 2004)**

(a) Purpose. The purpose of this paragraph is to establish a procedure whereby one contractual modification will be used both to direct a change pursuant to the "Changes" clause of this contract and to settle any question of equitable adjustments that might arise. This procedure shall apply only to those changes that will have no effect on the contract price, delivery schedule, or other provisions of the contract.

(b) Procedure. When a change under the "Changes" clause is proposed, and both parties agree that the proposed change will not require any equitable adjustment, the Contracting Officer shall issue a bilateral modification authorizing the change that clearly states the change has no effect on either the contract price/cost plus fee, or period of performance/delivery date. The Contractor's signature on the modification shall constitute acceptance of the Government's offer, shall be binding on both parties, and shall constitute a full, complete, and final settlement for the changes so directed.

**H-22. [ ] Limitation of Working Groups (MAR 2004)**

Technical guidance provided at meetings of Working Groups established by the Government and/or construed from the minutes of such meetings shall not constitute authorization for the Contractor to alter the scope of this contract. Only the Contracting Officer may give such direction in writing through the "Changes" clause of the contract.

**H-23. [ ] Engineering Change Proposals (MAR 2004)**

(a) The Contracting Officer may ask the Contractor to prepare engineering change proposals for engineering changes within the general scope of this contract. Upon receipt of a written request from the Contracting Officer, the Contractor shall prepare and submit an engineering change proposal in accordance with the Contracting Officer's instructions.

(b) The Contractor may initiate engineering change proposals. Contractor initiated engineering change proposals shall include a "not to exceed" cost or price or a "not less than" cost or price and delivery adjustment. If the Contracting Officer orders the engineering change, the increase shall not exceed nor the decrease be less than the "not to exceed" or "not less than" amounts.

(c) A change proposal accepted in accordance with the Changes clause of the contract shall not be considered an authorization to the contractor to exceed the estimated cost in the contract schedule, unless the estimated cost is increased by the change order or other contract modification.

(d) When the cost or price of the engineering change is \$550,000 or more, the Contractor shall submit

(1) A contract pricing proposal using the format in Table 15-2, Section 15.408, of the Federal Acquisition Regulation; and,

(2) At the time of agreement on cost or price, a signed Certificate of Current Cost or Pricing Data.

**H-24. Authorization and Consent (Special)**

**Pursuant to 28 USC 1498(b), the Government authorizes and consents to all use of any works protected by the copyright laws of the US in performing this contract in accordance with its requirements. In the event a copyright infringement claim is brought against the contractor in connection with performance of this contract, and to the extent that the referenced statute is applicable to the copyright infringement claim, the Government agrees that the exclusive action by an copyright owner is an action by such owner in the Court of Federal Claims against the United States. In the event such a claim is brought against the contractor or in any other United States court, the Agency understands that the contractor shall be entitled to assert 28 USC 1498(b) as an affirmative defense. In such a case, the Agency agrees to request that the Department of Justice assist the contractor in asserting such a defense. Alternatively, the Government may seek transfer of the case to the Court of Federal Claims with the United States substituted as the defendant in the case. In such case, the contractor agrees to cooperate with and provide reasonable assistance to the Government in defending against the claim.**

**SECTION I - CONTRACT CLAUSES****I-1. 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/these address(es): [www.arnet.gov/far](http://www.arnet.gov/far)

- 52.202-1 Definitions. JUL 2004
- 52.203-3 Gratuities. APR 1984
- 52.203-5 Covenant Against Contingent Fees. APR 1984
- 52.203-6 Restrictions on Subcontractor Sales to the Government. JUL 1995
- 52.203-7 Anti-Kickback Procedures. JUL 1995
- 52.203-8 Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity. JAN 1997
- 52.203-10 Price or Fee Adjustment for Illegal or Improper Activity. JAN 1997
- 52.203-12 Limitation on Payments to Influence Certain Federal Transactions. JUN 2003
- 52.204-4 Printed or Copied Double-Sided on Recycled Paper. AUG 2000
- 52.209.6 Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment. JAN 2005
- 52.215-10 Price Reduction for Defective Cost or Pricing Data. OCT 1997
- 52.215-12 Subcontractor Cost or Pricing Data. OCT 1997
- 52.215-15 Pension Adjustments and Asset Reversions. OCT 2004
- 52.215-17 Waiver of Facilities Capital Cost of Money. OCT 1997
- 52.215.18 Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions. JUL 2005
- 52.217-8 Option to Extend Services. NOV 1999
- 52.222-1 Notice to the Government of Labor Disputes. FEB 1997
- 52.222-3 Convict Labor. JUN 2003
- 52.222-21 Prohibition of Segregated Facilities. FEB 1999
- 52.222-26 Equal Opportunity. APR 2002
- 52.222-29 Notification of Visa Denial. JUN 2003
- 52.222.35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans. DEC 2001
- 52.222-36 Affirmative Action for Workers with Disabilities. JUN 1998
- 52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans. DEC 2001
- 52.223-6 Drug-Free Workplace. MAY 2001
- 52.223-14 Toxic Chemical Release Reporting. AUG 2003
- 52.225-13 Restrictions on Certain Foreign Purchases. MAR 2005
- 52.227-1 Authorization and Consent. JUL 1995
- 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement. AUG 1996
- 52.227-3 Patent Indemnity. APR 1984
- 52.227-14 Rights in Data - General. JUN 1987
- 52.227-19 Commercial Computer Software - Restricted Rights. JUN 1987
- 52.228-7 Insurance - Liability to Third Persons. MAR 1996
- 52.230-2 Cost Accounting Standards. APR 1998
- 52.230-3 Disclosure and Consistency of Cost Accounting Practices. APR 1998
- 52.230-6 Administration of Cost Accounting Standards. APR 2005
- 52.232-1 Payments. APR 1984
- 52.232-17 Interest. JUN 1996
- 52.232-22 Limitation of Funds. APR 1984

- 52.232-25 Prompt payment. OCT 2003
- 52.233-1 Disputes. JUL 2002
- 52.233-3 Protest after Award. AUG 1996
- 52.233-3 Protest after Award, (AUG 1996) - Alternate I JUN 1985
- 52.233-4 Applicable Law for Breach of Contract Claim. OCT 2004
- 52.237-2 Protection of Government Buildings, Equipment, and Vegetation. APR 1984
- 52.242-1 Notice of Intent to Disallow Costs. APR 1984
- 52.242-13 Bankruptcy. JUL 1995
- 52.243-1 Changes - Fixed-Price. AUG 1987
- 52.243-2 Changes - Cost-Reimbursement. (AUG 1987) - Alternate I APR 1984
- 52.246-25 Limitation of Liability - Services. FEB 1997
- 52.247-63 Preference for U.S.-Flag Air Carriers. (JUN 2003)
- 52.248-1 Value Engineering. (FEB 2000) - Alternate III APR 1984
- 52.249-2 Termination for Convenience of the Government (Fixed-Price). MAY 2004
- 52.249-6 Termination (Cost-Reimbursement). MAY 2004
- 52.249-8 Default (Fixed-Price Supply and Service). APR 1984
- 52.249-14 Excusable Delays. APR 1984
- 52.251-1 Government Supply Sources. APR 1984

**I-2. 52.217-9 Option to Extend the Term of the Contract. (MAR 2000)**

(a) The Government may extend the term of this contract by written notice to the Contractor within **30 days of the end date for the period for performance currently under contract**; provided that the Government gives the Contractor a preliminary written notice of its intent to extend at least **60 days** before the contract expires. The preliminary notice does not commit the Government to an extension.

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed **72 months**.

**I-3. 52.222-2 Payment for Overtime Premiums. (JUL 1990)**

(a) The use of overtime is authorized under this contract if the overtime premium does not exceed 0 or the overtime premium is paid for work -

**I-4. 52.232-34 Payment by Electronic Funds Transfer - Other than Central Contractor Registration. (MAY 1999)**

(b) *Mandatory submission of Contractor's EFT information.* (1) The Contractor is required to provide the Government with the information required to make payment by EFT (see paragraph (j) of this clause). The Contractor shall provide this information directly to the office designated in this contract to receive that information (hereafter: "designated office") by **no later than 15 days prior to submission of the first request for payment**. If not otherwise specified in this contract, the payment office is the designated office for receipt of the Contractor's EFT information. If more than one designated office is named for the contract, the Contractor shall provide a separate notice to each office. In the event that the EFT information changes, the Contractor shall be responsible for providing the updated information to the designated office(s).

**I-5. 52.243-7 Notification of Changes. (APR 1984)**

(b) *Notice.* The primary purpose of this clause is to obtain prompt reporting of Government conduct that the Contractor considers to constitute a change to this contract. Except for changes identified as such in writing and signed by the Contracting Officer, the Contractor shall notify the Administrative Contracting Officer in writing promptly, within **15 calendar days** from the date that the Contractor identifies any Government conduct (including actions, inactions, and written or oral communications) that the Contractor regards as a change to the contract terms and conditions. On the basis of the most accurate information available to the Contractor, the notice shall state -

(d) *Government response.* The Contracting Officer shall promptly, within **15 calendar days** after receipt of notice, respond to the notice in writing. In responding, the Contracting Officer shall either -

**I-6. 52.244-5 Competition In Subcontracting. (DEC 1996)**

(a) The Contractor shall select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the contract.

(b) If the Contractor is an approved mentor under the Department of Defense Pilot Mentor-Protégé Program (Pub. L. 101-510, section 831 as amended), the Contractor may award subcontracts under this contract on a noncompetitive basis to its protégés.

**I-7. 52.244-6 Subcontracts for Commercial Items. (DEC 2004)**

(a) Definitions. As used in this clause--

"Commercial Item" has the meaning contained in Federal Acquisition Regulation 2.101, Definitions.

"Subcontract" includes a transfer of commercial items between divisions, subsidiaries, or affiliates of the Contractor or subcontractor at any tier.

(b) To the maximum extent practicable, the Contractor shall incorporate, and require its subcontractors at all tiers to incorporate, commercial items or nondevelopmental items as components of items to be supplied under this contract.

(c)(1) The following clauses shall be flowed down to subcontracts for commercial items:

(i) 52.219-8, Utilization of Small Business Concerns (MAY 2004) (15 U.S.C. 637(d)(2) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds \$500,000 (\$1,000,000 for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.

(ii) 52.222-26, Equal Opportunity (APR 2002) (E.O. 11246).

(iii) 52.222-35, Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (APR 1998) (38 U.S.C. 4212(a)).

(iv) 52.222-36, Affirmative Action for Workers with Disabilities (JUN 1998) (29 U.S.C. 793).

(v) 52.222-39, Notification of Employee Rights Concerning Payment of Union Dues or Fees (DEC 2004) (E.O. 13201). Flow down as required in accordance with paragraph (g) of FAR clause 52.222-39.

(vi) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (APR 2003) (46 U.S.C. Appx 1241 and 10 U.S.C. 2631) (flow down required in accordance with paragraph (d) of FAR clause 52.247-64).

(2) While not required, the Contractor may flow down to subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.

(d) The Contractor shall include the terms of this clause, including this paragraph (d), in subcontracts awarded under this contract.

**I-8.  Compliance With the Constitution and Statutes of the United States (AUG 1996)**

Nothing in this contract shall be construed to authorize any activity in violation of the Constitution or Statutes of the United States.

**I-9.  Organizational Conflicts Of Interest: General (JUL 2003)**

(a) The contractor warrants that, to the best of its knowledge and belief, there are no relevant facts that could give rise to Organizational Conflicts of Interest, as defined in FAR 9.501. Or, alternatively, the contractor warrants that it has disclosed all relevant information regarding any actual or potential organizational conflict of interest.

(b) The contractor agrees that if an organizational conflict of interest with respect to this contract is discovered during its performance, an immediate and full disclosure in writing shall be made to the Contracting Officer. Such notification shall include a description of the action the contractor has taken or proposes to take to avoid, neutralize or mitigate such conflicts. The contractor shall continue performance until notified by the Contracting Officer of any contrary actions to be taken. The Government may, however, terminate the contract for its convenience if it deems such termination to be in the best interest of the Government.

(c) If the contractor was aware of an organizational conflict of interest before award of this contract and did not fully disclose the conflict to the Contracting Officer, the Government may terminate the contract for default.

(d) The contractor shall insert a clause containing all the terms and conditions of this clause in all subcontracts for work to be performed similar to the services provided by the prime contractor, and the terms "contract", "contractor", and "contracting officer" modified appropriately to preserve the Government's rights.

(e) Before a contract modification is made that adds new work or significantly increases the period of performance, the contractor shall agree to submit either an organizational conflict of interest disclosure or representation or an update of a previously submitted disclosure or representation, if requested by the Government.

(f) Contractor further agrees that Government may periodically review contractor's compliance with these provisions or require such self-assessments or additional certifications as Government deems appropriate.

I-10. [ ] Protection Of Information (JUL 2003)

(a) It is the Government's intent to ensure proper handling of sensitive planning, budgetary, acquisition, and contracting information that will be provided to, or developed by, the contractor during contract performance. It is also the Government's intent to protect the proprietary rights of industrial contractors whose data the contractor may receive in fulfilling its contractual commitments hereunder.

(b) Accordingly, the contractor agrees that it will not disclose, divulge, discuss, or otherwise reveal information to anyone or any organization not authorized access to such information without the express written approval of the Contracting Officer. The contractor shall require that each of its employees assigned to work under this contract, and each subcontractor and its employees assigned to work on subcontracts issued hereunder, execute nondisclosure agreements acknowledging the above restrictions before providing them access to such information. The contractor shall also require all future company employees, subcontractors, and subcontractor employees needing similar access to such information to execute nondisclosure agreements prior to providing them access to the above identified information. The requirement for the contractor to secure nondisclosure agreements from their employees may be satisfied by having each employee sign one nondisclosure agreement as a term of their employment, and need not be accomplished separately for each individual contract for which the employee will support, unless a separate agreement is specifically requested by the Contracting Officer. The contractor will make copies of these individual agreements available to the Contracting Officer upon request. These restrictions do not apply to such information after the Government has released it to the contractor community, either in preparation for or as part of a future procurement, or through such means as dissemination at Contractor Industrial Forums.

(c) The contractor further agrees that any source documents furnished by the Government and any contractor documents developed therefrom in the performance of this contract are the sole property of the Government and will be held in the strictest confidence.

(d) If the work to be performed under this contract requires access to the proprietary data of other companies, the contractor agrees to enter into an agreement with the company that has developed this proprietary information to: (1) protect such proprietary data from unauthorized use or disclosure for as long as the information remains proprietary; and (2) refrain from using the information for any purpose other than support of the Government contract for which it was furnished. The contractor shall provide a properly executed copy of any such agreement(s) to the Contracting Officer. These restrictions are not intended to protect data furnished voluntarily without limitations on their use. Neither are they intended to protect data, available to the Government or contractor, from other sources without restriction.

(e) The contractor agrees to include in each subcontract a clause requiring compliance by the subcontractor and succeeding levels of subcontractors with the terms and conditions herein.

(f) The contractor agrees to indemnify and hold harmless the Government, its agents, and employees from every claim or liability, including attorneys fees, court costs, and expenses arising out of, or in any way related to, the misuse or unauthorized modification, reproduction, release, performance, display, or disclosure of data with restrictive legends received in performance of this contract by the contractor or any person to whom the contractor has released or disclosed the data.

(g) The contractor further agrees that the Government may periodically review contractor's compliance with these provisions or require such self-assessments or additional certifications as the Government deems appropriate. The contractor is on notice that this clause supplements, but does not supersede, the contractor's obligations under paragraph (b) of clause [ ] Organizational Conflict of Interest - General.

I-11.  **Suspension and Debarment (AUG 2004)**

The Agency has established suspension and debarment procedures consistent with FAR Subpart 9.4. The Agency will provide a copy of said procedures to the Contractor in the event a notice of proposed suspension or a notice of proposed debarment is issued by the Agency or upon written request to the Contracting Officer.

I-12.  **Audit and Records Negotiation (AUG 2004)**

(a) As used in this clause, "records" includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form.

(b) *Examination of costs.* If this is a cost-reimbursement, incentive, time-and-materials, labor-hour, or price redeterminable contract, or any combination of these, the Contractor shall maintain and the Contracting Officer, or an authorized representative of the Contracting Officer, shall have the right to examine and audit all records and other evidence sufficient to reflect properly all costs claimed to have been incurred or anticipated to be incurred directly or indirectly in performance of this contract. This right of examination shall include inspection at all reasonable times of the Contractor's plants, or parts of them, engaged in performing the contract.

(c) *Cost or pricing data.* If the Contractor has been required to submit cost or pricing data in connection with any pricing action relating to this contract, the Contracting Officer, or an authorized representative of the Contracting Officer, in order to evaluate the accuracy, completeness, and currency of the cost or pricing data, shall have the right to examine and audit all of the Contractor's records, including computations and projections, related to

- (1) The proposal for the contract, subcontract, or modification;
- (2) The discussions conducted on the proposal(s), including those related to negotiating;
- (3) Pricing of the contract, subcontract, or modification; or
- (4) Performance of the contract, subcontract or modification.

(d) *Reports.* If the Contractor is required to furnish cost, funding, or performance reports, the Contracting Officer or an authorized representative of the Contracting Officer shall have the right to examine and audit the supporting records and materials, for the purpose of evaluating

- (1) The effectiveness of the Contractor's policies and procedures to produce data compatible with the objectives of these reports; and
- (2) The data reported.

(e) *Availability.* The Contractor shall make available at its office at all reasonable times the records, materials, and other evidence described in paragraphs (a), (b), (c), and (d) of this clause, for examination, audit, or reproduction, until 3 years after final payment under this contract or for any shorter period specified in Subpart 4.7, Contractor Records Retention, of the Federal Acquisition Regulation (FAR), or for any longer period required by statute or by other clauses of this contract. In addition

(1) If this contract is completely or partially terminated, the Contractor shall make available the records relating to the work terminated until 3 years after any resulting final termination settlement; and

(2) The Contractor shall make available records relating to appeals under the Disputes clause or to litigation or the settlement of claims arising under or relating to this contract until such appeals, litigation, or claims are finally resolved.

(f) The Contractor shall insert a clause containing all the terms of this clause, including this paragraph (f), in all subcontracts under this contract that exceed the simplified acquisition threshold, and

(1) That are cost-reimbursement, incentive, time-and-materials, labor-hour, or price-redeterminable type or any combination of these;

(2) For which cost or pricing data are required; or

(3) That require the subcontractor to furnish reports as discussed in paragraph (d) of this clause.

The clause may be altered only as necessary to identify properly the contracting parties and the Contracting Officer under the Government prime contract.

**I-13.  Timely Notice Of Litigation (AUG 1996)**

(a) The Contractor hereby agrees to immediately give written notice to the Contracting Officer of any anticipated or current litigation or any litigation that may arise during the course of the performance of this contract, that involves or in any way relates to or affects any aspect of this contract, its terms or costs, pertinent subcontracts, or the Customer's relationship with the Contractor or Subcontractors. Said notice shall include all relevant information with respect thereto.

(b) The Contractor agrees to insert this requirement in any subcontract under this contract. In the event of litigation, the Subcontractor shall immediately notify its next tier Subcontractor or the Prime Contractor, as the case may be, of all relevant information with respect to such litigation.

(c) The Contracting Officer shall have access to and the right to examine any pertinent books, documents, papers and records of the Prime Contractor or Subcontractor(s) involving customer transactions related to any contract litigation.

(d) Notwithstanding the foregoing, nothing in this agreement shall constitute a waiver of either party's right in litigation, including but not limited to, the rights of attorney-client privilege, to obtain injunctive relief, and/or any rights or remedies available.

I-14.  Intention to Use Consultants (AUG 1996)

(a) The Government intends to utilize the services of nongovernment organizations in technical, advisory and consulting roles for overall review of the activities covered by this contract. Although the consultants shall not have the right of technical direction, they shall from time to time and on a frequent basis attend technical reviews, participate in technical interchange meetings, observe national processing, witness fabrication and assembly, and monitor testing within the Contractor and Subcontractor facilities. Such consultants will be involved in providing advice to the Government concerning viability of technical approaches, utilization of acceptable procedures, value and results of tests, and other management and contractual aspects of the program. The consultants will thus require access to program-related Contractor facilities and documentation. Contractor proprietary data shall not be made available to consultants unless and until a protection agreement has been generated between the consultant and the Contractor and evidence of such agreement made available to the Government. Contractor proprietary cost and accounting data will not be available to consultant organizations.

(b) It is expressly understood that the operations of this clause will not be the basis for an equitable adjustment.

I-15.  Equal Employment Opportunity (JAN 2004)

(a) The Contractor shall comply with all applicable Federal and State equal employment opportunity laws and regulations and Agency policies and practices with respect to equal employment opportunity and a harassment-free workplace whenever work is being performed on federal property.

(b) If either the Contracting Officer or a designated representative of the Agency's Office of Equal Employment Opportunity provides the Contractor notice of noncompliance with the applicable statutory or regulatory requirements which are enumerated in paragraph (a), the Contractor, at no cost to the Government, shall promptly take appropriate action. A copy of any documentation shall be provided to the designated representative of the Agency's Office of Equal Employment Opportunity. If the Contractor fails or refuses to promptly take appropriate action, the Contracting Officer may issue an order stopping all or part of the work until such appropriate action is taken.

(c) Nothing in this clause shall relieve the Contractor from full performance of the requirements of this contract, nor shall it provide the basis for any claims against the Government.

(d) The Contractor shall provide oral notification within two business days and written notification within five business days to the Contracting Officer of the Contractor's receipt of a claim made by a Contractor employee alleging any violation of an equal employment opportunity requirement connected to performance of this contract or connected to activities occurring on Federal property.

(e) The Government may elect to conduct an investigation surrounding the claim if it is potentially a joint employer under EEOC Notice 915.002. In all such instances, the Contractor shall cooperate with the Government's investigation. In accordance with applicable law and to the extent possible, the Government shall treat all information obtained from the investigation as information proprietary to the Contractor.

(f) The Contractor's noncompliance with the provisions of this clause may be grounds for termination under the default provisions of this contract.

(g) The Contractor shall insert this clause, including this paragraph (g) in all subcontracts, with appropriate changes in the designation of the parties. The prime contractor shall provide the Contracting Officer with a copy of all notifications made pursuant to the provisions of this clause.

I-16.  Workplace Health and Safety (JAN 2004)

(a) The Contractor shall comply with the Occupational Safety and Health Act (OSHA) of 1970 (29 U.S.C. Section 651 et seq.) and regulations promulgated thereunder including, but not limited to, the standards issued by the Secretary of Labor at Part 1926 and Part 1910 of Title 29 of the Code of Federal Regulations. The Contractor shall also comply with all applicable state occupational safety and health laws and regulations. Noncompliance shall be grounds for termination of this contract in accordance with its default provisions.

(b) Whenever the Contracting Officer becomes aware of any noncompliance with these requirements or any condition that poses a serious or imminent danger to health or safety, the Contracting Officer, or the authorized representative of the Contracting Officer, shall notify the Contractor orally, with written confirmation from the Contracting Officer, and request immediate initiation of corrective action. This notice, when delivered to the Contractor or the Contractor's representative at the worksite, shall be deemed sufficient notice of the noncompliance and that corrective action is required. After receiving the notice, the Contractor shall immediately take corrective action. If the Contractor fails or refuses to promptly take corrective action, the Contracting Officer may issue an order stopping all or part of the work until the Contractor takes satisfactory corrective action. The Contracting Officer or the authorized representative of the Contracting Officer may inform the Occupational Safety and Health Administration (OSHA), or other cognizant federal, state, or local officials, of such notification. The Contractor shall not be entitled to any equitable adjustment of the contract price or extension of the performance schedule on any stop work order issued under this clause.

(c) The Contractor shall insert this clause, including this paragraph (c) in all subcontracts, with appropriate changes in the designation of the parties. The prime contractor shall provide the Contracting Officer with a copy of all notifications made by the prime contractor to a subcontractor pursuant to paragraph (b) of this clause.

I-17.  Tax Audits (JAN 2004)

If federal, state, or local tax officials request access to information under this contract, the contractor shall immediately notify the Contracting Officer. The contractor shall also request that the tax officials identify, in writing, the specific information sought for review and shall forward the response and any related documentation to the Contracting Officer. Failure to provide notice to the Contracting Officer may be grounds for denying a cost/price adjustment for the resulting tax liability, if an adjustment is otherwise authorized by law and the terms of this contract.

I-18.  Independent Review of Agency Protests (JAN 2004)

An independent review of protests to the agency, as defined in FAR 33.103(d)(4), is available as an alternative to consideration by the Contracting Officer. Requests for an independent review shall be submitted directly to the Contracting Officer, along with the protest.

I-19.  Clauses Requiring Access by Other Government Entities (JUL 2003)

Several clauses in this contract require reporting to other Federal agencies or access by other Federal agencies to the Contractor's records for compliance determinations or other reviews. If any such reporting, compliance determination, or review involves this contract, the Contractor shall obtain the Contracting Officer's written permission or guidance before participating.

**SECTION J - LIST OF ATTACHMENTS**

- 1) Statement of Work "FBIS, Large Scale Exploitation (LSIE) System" dated 02 December 2005.
- 2) LSIE Customer Requirements Document dated 22 December 2005.
- 3) LSIE System Concept of Operations dated 02 December 2005.
- 4) [REDACTED]
- 5) Award Fee Plan dated 1 June 2006.
- 6) LSIE Work Breakdown Structure 1 June 2006.
- 7) Government Furnished Property List 28 April 2006.
- 8) Government Property Report.
- 9) Reporting Requirements for Government Property.

CIA denied in full 140 pages of this contract.

UNCLASSIFIED

Award Fee Plan

**AWARD FEE PLAN  
FOR  
Large Scale Internet Exploitation (LSIE) System**

**1 June 2006**

UNCLASSIFIED

Award Fee Plan

**1. PURPOSE OF AWARD FEE:** The Government's purpose in granting an Award Fee is to provide encouragement by rewarding the Contractor for demonstrating superior performance in achieving the objectives of the contracted effort and discharging all contractual obligations.

**2. AWARD FEE:** In addition to any Base Fee to be paid, the Contractor may earn a maximum possible award fee in the amount specified under the contract clause entitled "Type of Contract and Consideration". The total possible award fee specified therein will be made available at the intervals and in the incremental amounts specified. The Contractor's performance will be evaluated and fee will be awarded in accordance with the procedures, terms, and criteria set forth throughout this plan.

**3. EVALUATION PERIODS:** As specified under the contract clause entitled "Type of Contract and Consideration," performance evaluations will be conducted in **six (6) month** intervals for the purpose of determining the amount of award fee earned. The incremental fee amounts associated with each period of evaluation have been quantified on the basis of the extent and/or type of work to be accomplished during the individual periods. Should the contract be modified to affect either the scheduled delivery/performance or scope of work, the periods of evaluation and the corresponding increments of fee will be adjusted to account for such changes.

**4. GENERAL EVALUATION CATEGORIES AND CRITERIA:** The evaluation criteria are set forth below (not necessarily listed in order of importance). Not all of the criteria within each of the evaluation categories identified below will be applicable to the work to be accomplished during any given period of evaluation. The Government may develop individual and more specific sets of criteria for each evaluation period.

(a) **Technical Performance:** Performance in this area may be evaluated relative to accomplishments associated with but not necessarily limited to the following:

(i) The analysis, interpretation, definition, verification and/or execution of technical requirements;

(ii) Comprehension of and compliance with the detailed and/or functional requirements documents (including the Statement of Work/Objective);

(iii) The reasonableness of proposed technical tradeoffs from the standpoint of their effect on quality, maintainability, reliability and overall performance of the components and/or system;

(iv) The development of technical objectives and/or Quality Assurance procedures to assure the reliability, integrity and maintainability of the overall system;

(v) The ability to recommend and/or carry out practical solutions in areas of technical deficiency; and

(vi) The acceptability of the system in an operational environment.

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(b) **Project Management:** Performance in this area may be evaluated relative to accomplishments associated with but not necessarily limited to the following:

- (i) The use and effectiveness of program planning and organization management techniques;
- (ii) The ability to effectively manage and/or provide timely, accurate and substantive technical direction to subcontractors;
- (iii) The ability to provide, properly place and/or effectively use qualified personnel;
- (iv) The effective use of Government and Contractor resources;
- (v) The timely recognition and/or anticipation of problem areas to avoid or recover from delays;
- (vi) The ability to focus attention on critical issues and problem areas;
- (vii) The ability to provide innovative and practical solutions to problem areas declared by the Government;
- (viii) The formulation of technical guidance or management decisions which are consistent with contract objectives;
- (ix) The degree of Government visibility into the management of the project from both a technical and cost standpoint; and
- (x) Compliance with contractual requirements.

(c) **Schedule/Delivery Performance:** Performance in this area will be evaluated relative to accomplishments associated with but not necessarily limited to the following:

- (i) The extent to which contract performance is ahead or behind schedule;
- (ii) The effective use of schedule alternatives to meet program and/or contract objectives;
- (iii) The ability to identify schedule conflicts resulting from problem areas and overcome them in order to maintain or improve schedules;
- (iv) The degree of Government visibility into the progress of the contract as expressed in the level of detail included in progress/schedule reporting; and

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(v) The thoroughness and accuracy of progress reporting.

(d) **Security Performance:** Performance in this area will be evaluated relative to accomplishments associated with but not necessarily limited to the following:

(i) The timely submission of Contractor-personnel security approval requests as required by the contract;

(ii) The extent to which the security policies and standards set forth under this contract are adhered to;

(iii) The Contractor's overall record of compliance with established Agency security directives and procedures, including prompt actions taken to correct any noted deficiencies.

(e) **Cost Performance and Control:** Performance in this area will be evaluated relative to accomplishments associated with but not necessarily limited to the following:

(i) The ability to remain within the estimated total cost of the contract and, if necessary, the incremental funding profiles;

(ii) The degree of Government's visibility into the actual and budgeted cost of the contract, as expressed in the level of detail included in cost (funds expenditure) reporting;

(iii) The timeliness and accuracy of cost and/or person-hour expenditure reporting;

(iv) The adequacy, maintenance and reliability of the overall financial management plan;

(v) The ability to identify areas of possible cost growth early and/or implement effective management controls to enable cost increases to be foreseen;

(vi) The ability to recommend and/or implement practical solutions in areas of cost growth;

(vii) The extent to which cost reduction efforts are employed as a management tool or objective through economies in the use of direct labor and/or alternate technical/management approaches;

(viii) The extent to which cost reductions are realized through the use of alternate arrangements, designs, processes or methods, etc; and

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(ix) The ability to provide timely, complete and accurate cost estimates (proposals) applicable to contract changes and/or revised "Estimate to Complete."

**(f) Milestone Award Fee Amounts:** Performance in this area may be evaluated relative to accomplishments associated with but not necessarily limited to the following:

(i) Successful completion of a milestone. Milestones will be set by the COTR before the award fee period. Most milestones will be based on successful completion of a Control Gate or successful delivery and acceptance of a software build at ORR.

(ii) Government will evaluate and score the milestone amount based on how successfully the milestone was completed and if the milestone was completed on time based on the government approved LSIE Master Schedule. Missing a milestone does not eliminate the entire payment associated with that milestone. It is still possible to earn a portion of the milestone payment.

(iii) The total CLIN 001 milestone award fee pool will be 50% of the overall CLIN 001 award fee dollars.

(iv) Some milestones amounts will be weighted higher than other milestone amounts based on the milestone the government assessment of the milestone criticality within the overall LSIE project. (The award fee schedule for all CLINS with milestones amounts and period criteria amounts is Attachment A of this document).

**5. SPECIFIC EVALUATION CRITERIA:** The evaluation categories and criteria to be applied to each individual evaluation period will be established by the Government and provided to the Contractor in accordance with the following guidelines and procedures:

(a) At the discretion of the Contracting Officer and designated Government Project Manager/Contracting Officer's Technical Representative (COTR), a meeting between cognizant Government and Contractor representatives may be convened, no later than fifteen (15) calendar days prior to the scheduled start of each evaluation period, to review the technical progress and financial status of the contract, in order to identify any area of concern and/or possible improvement expected relative to the upcoming period.

(b) After considering the information which may be derived from such a meeting or otherwise made available and while recognizing that not all of the "General Evaluation Criteria" will necessarily apply, the Government will formulate the specific criteria and weightings to be applied to the next evaluation period, with consideration given to the following:

(i) The Contractor's accomplishments, problems, strengths and/or weaknesses during the current period of evaluation, from either a technical, cost or management standpoint;

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(ii) The milestones and/or objectives to be accomplished during the forthcoming evaluation period;

(iii) The general evaluation categories and the extent to which definitive criterion may be developed and applied to various aspects of the next period of evaluation;

(iv) The category weighting range table and the emphasis needed to direct the Contractor's attention to an area of interest to the Government or motivate the Contractor towards better performance in an area of immediate concern; and

(v) Any other factors considered by the Government to be pertinent to Contractor performance during the scheduled evaluation period.

(c) Prior to the scheduled start of each evaluation period, or no later than the award fee modification for the previous period, the Government will provide written notification to the Contractor concerning the "Specific Evaluation Criteria" to be applied during the period. The Government's notification shall provide the Contractor with specific guidance relative to the areas of special emphasis under the forthcoming period of evaluation.

**5.A. First Period Award Fee Criteria**

**Technical Performance (Weight 40%)**

- Comprehension of the Customer Requirements.
- Innovative/creative approach to meeting DNI Open Source requirements.
- The analysis, interpretation, definition, verification and/or execution of technical requirements.
- Successful execution of key Systems Engineering studies to mitigate project risk areas.
- Credibility and reasonableness of tradeoff analyses performed from the standpoint of their effect on quality, maintainability, reliability and overall performance of the components and/or system.
- Ability to identify high-risk areas and develop realistic risk mitigation plans.

**Program Management (Weight 35%)**

- Comprehension of and compliance with the Statement of Work.
- The thoroughness and accuracy of progress reporting.
- The ability to provide, properly place and/or effectively use qualified personnel in a timely manner. Staffing up during the initial contract phase will be critical.
- The ability to effectively manage and /or provide timely, accurate and substantive technical direction to subcontractors.
- The ability to focus attention on critical issues and problem areas.
- The ability to provide innovative and practical solutions to problem areas declared by the Government.
- Compliance with Contractual objectives.
- The effective use of Government and Contractor resources.

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**Schedule (Weight 10%)**

- Successful completion of scheduled project control gates.
- The extent to which contract performance is ahead or behind schedule.
- The effective use of schedule alternatives to meet program and/or contract objectives.
- The ability to identify schedule conflicts resulting from problem areas and overcome them in order to maintain or improve schedule.
- The ability to successfully coordinate with other DNI Open Source technical schedules that may have dependencies.

**Cost Performance Control (Weight 10%)**

- The ability to remain within the budgeted total cost of the contract.
- The degree of Government's visibility into the actual and budgeted cost of the contract, as expressed in the level of detail included in cost (funds expenditure) reporting.
- The timeliness and accuracy of cost reporting.
- The ability to identify areas of possible cost growth early and/or implement effective management controls to enable cost increases to be foreseen.
- The extent to which cost reduction efforts are employed as a management tool or objective through economies in the use of direct labor and/or alternate technical/management approaches.
- The extent to which cost reductions are realized through the use of alternate arrangements, designs, processes or methods, etc.

**Security (Weight 5%)**

- The timely submission of contractor personnel security approval requests as required by the contract.
- The extent to which the security policies and standards set forth under this contract are adhered to.

**6. EVALUATION CATEGORY WEIGHTINGS:** As stated above, the Government will determine the category weights to be applied to the upcoming period and may provide written notification of the assigned weights to the Contractor. Although each of the evaluation categories identified under paragraph 5 above will apply to every period of evaluation, the weights associated with each category may vary from period to period. However, the sum total of the applied weights will equal one hundred (100) percent. The following table provides sample ranges within which specific weightings may be identified for use during a given evaluation period:

**Recommended Category Weighting Table**

<u>Category</u>	<u>Weighting (%) Range</u>
Technical Performance	from 20 to 55 %
Project Management	from 15 to 45 %

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Schedule/Delivery Performance	from 10 to 35 %
Security Performance	from 05 to 20 %
Cost Performance and Control	from 05 to 30 %

**7. INTERIM AWARD FEE FEEDBACK:** The Contracting Office may issue the Contractor written interim award fee feedback, within two (2) weeks of the three (3) month award fee period mid-point.

**8. SELF-EVALUATION REPORT:** The Contractor may offer a self-evaluation of its performance against the evaluation criteria applicable to a specific contract milestone or period undergoing evaluation. This information is provided to the Contracting Officer and Government's Project Manager/COTR and may be considered for performance evaluation purposes.

**9. PERFORMANCE EVALUATION BOARD (PEB):** The general responsibilities, composition and conduct of the Performance Evaluation Board are summarized below.

(a) *Responsibilities:* In general, the PEB will be responsible for:

- (i) Establishing the criteria for evaluating the Contractor's performance;
- (ii) Reviewing the tentative performance evaluation and Award Fee recommendation made by the Government Project Manager (PM), Contracting Officer's Technical Representative (COTR) and Contracting Officer (CO); and
- (iii) Determining the award fee percentage earned, commensurate with the Contractor's overall performance.

(b) *Composition:* The PEB will be composed of the following:

- (i) FDO (Directorate/Office Director/Group Chief or equivalent)
- (ii) Program Manager (if formally designated)
- (iii) Contracting Office Group Chief and/or Team Chief
- (iv) Cognizant Contracting Officer
- (v) COTR
- (vi) Chief, Program Financial/Budget Officer

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(vii) Directorate/Office/Group Security Officer

(c) *PEB Sessions*: The designated FDO will convene, within thirty (30) days after the award fee period, a performance evaluation session for the purpose of reviewing the specific criteria established for the preceding period, and for determining the overall adjective ratings and numerical score which best represents the measure of performance demonstrated by the Contractor during the period evaluated. (Refer to paragraph 10 for the evaluation rating scale.) The award fee score will be assigned by PEB consensus. To accomplish this, the PEB will analyze the quantitative and/or qualitative aspects of the work scheduled/expected to be accomplished and weigh the strengths and weaknesses of the Contractor's performance by giving careful consideration to the following:

(i) The "specific evaluation criteria" applicable to the period undergoing evaluation;

(ii) The weightings associated with such criteria and period;

(iii) The written evaluation and recommendations provided by the Government Project Manager/COTR and other Government personnel during the performance evaluation session;

(iv) The performance level ratings and descriptions defined by the evaluation rating scale; and

(v) Any other relevant information formally presented to the PEB which the board considers pertinent to its evaluation of Contractor performance.

(d) Each PEB member will be given the opportunity to orally state his/her concurrence/non-concurrence with the award fee score. In the event of non-concurrence, the board member(s) expressing the dissenting view(s) will explain the rationale for the dissent.

(e) If the PEB does not reach a consensus on ratings, the FDO/Chairperson will make a final decision.

(f) The PEB will complete its evaluation and instruct the Government Project Manager/COTR to document the award fee determination in accordance with the board's findings in preparation for presentation to the Contractor.

(g) The Program/Project Manager/COTR will schedule a formal briefing to Contractor personnel for each award fee determination. This session will be held within two weeks after the FDO's decision. It may be held at either the Government or Contractor facility. Typically, the session is restricted to the PEB members and appropriate Contractor personnel.

(h) Within two weeks after the PEB's determination, the Contracting Officer will issue a unilateral contract modification which will specify the amount of the award fee determination and

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revise the clause entitled "Type of Contract and Consideration" to enable the Contractor to invoice the Government for the amount of award fee earned.

**10. EVALUATION RATING SCALE:** The Project Manager/COTR and PEB will use the levels of performance described below to determine the adjective rating and numerical score which best represents the measure of performance demonstrated by the Contractor during the period evaluated:

**Performance Level Ratings and Descriptions**

Adjectival Rating	Grade	Definition
Outstanding/Excellent (93-100)	A	<ul style="list-style-type: none"> <li>• Performance is superior in all respects and represents the best that can be expected in that the standards of performance normally expected of an average Contractor have been exceeded by a substantial margin</li> <li>• Initiative and exceptional problem solving in executing the terms and conditions of the contract, Statement of Work, and invoking improvements have been consistently demonstrated.</li> <li>• There are no deficiencies in performance and/or such relatively unimportant deficiencies have been corrected as a result of Interim Feedback or Self Evaluation.</li> </ul>
Very Good (80-92)	B	<ul style="list-style-type: none"> <li>• Performance is substantially better than average in virtually all respects and represents the best that can be expected in that the standards of performance normally expected of an average Contractor have been exceeded by a significant margin</li> <li>• Initiative and above average problem solving in executing the terms and conditions of the contract, Statement of Work, and invoking improvements have been demonstrated.</li> <li>• There are very few deficiencies, which are more than offset by areas of above average performance.</li> <li>• Deficiencies are expected to have been corrected as a result of Interim Feedback or Self Evaluation.</li> </ul>
Good (70-79)	C	<ul style="list-style-type: none"> <li>• Performance is better than average in all respects and represents more than what is expected in that the standards of performance normally expected of an average Contractor have been exceeded.</li> </ul>

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		<ul style="list-style-type: none"> <li>• Initiative and problem solving in executing the terms and conditions of the contract, Statement of Work and invoking improvements has been demonstrated.</li> <li>• Areas of deficiency are few and more than offset by areas of above average performance.</li> <li>• Deficiencies are expected to have been addressed and corrective action undertaken as a result of Interim Feedback or Self Evaluation.</li> </ul>
Fair/Satisfactory (50-69)	D	<ul style="list-style-type: none"> <li>• Performance is average in nearly all respects and represents what is normally expected in that the standards of performance applied to an average Contractor have been met.</li> <li>• Initiative and problem solving in executing the terms and conditions of the contract, Statement of Work and invoking improvements have been demonstrated occasionally.</li> <li>• Areas of deficiency may be offset by areas of above average performance</li> <li>• Recognized deficiencies are expected to have been addressed and corrective action undertaken as a result of Interim Feedback or Self Evaluation.</li> </ul>
Unacceptable (0)	N/A	<ul style="list-style-type: none"> <li>• Performance is deficient in all or a majority of the evaluation criteria and does not represent what is expected of any qualified Contractor in that the standards of performance normally applied to an average Contractor have not been met.</li> <li>• Initiative and problem solving in executing the terms and conditions of the contract, Statement of Work and invoking improvements have not been demonstrated.</li> <li>• There are few or no areas where average performance has been demonstrated.</li> <li>• Recognized deficiencies have not been addressed and corrective action has not been undertaken as a result of Interim Feedback or Self Evaluation.</li> <li>• Immediate improvement is required in order to permit continuation of the contract.</li> <li>• Termination is imminent.</li> </ul>

**11. SPECIAL SCORING FOR SECURITY ANOMALIES:** During contract performance, a security anomaly, infraction, or violation may override all other performance criteria and may

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result in an overall award fee determination of zero at the unilateral discretion of the fee determining official (FDO) in coordination with the cognizant security office representative and contracting officer.

**12. DISPOSITION OF UNEARNED AWARD FEE:** The FDO may rollover unearned fee as follows:

(a) Immediate application to either the next award fee period or any successive award fee period(s) or special incentive(s) based on the existing evaluation criteria or specifically delineated criteria and/or established milestones;

(b) Reserved in a "Discretionary Award Fee Pool" for possible future application to any subsequent period(s) and/or special incentive(s), generally or specifically delineated; and/or

(c) Removed from further consideration of payment under the terms of the contract and this plan.

**13. DISPUTES:** The Government's determination of award fee and the methodology for determining the award fee are unilateral decisions made solely at the discretion of the Government. However, matters affecting the base fee, award fee or other contractual conditions are subject to the procedures and/or remedies provided under the contract clause entitled "Disputes" at the Contractor's discretion.

**14. TERMINATION:** In the event that the contract under which this award fee plan applies is terminated, the Contractor will retain all award fees earned up to the effective date of such termination and the Government will determine the maximum amount of additional fee which may be paid, based on the results of a performance evaluation.

LSIE Award Fee Criteria and Milestone Pools by Period (All CLINs)

CLIN	Start Date	End Date	Criteria
1	5-Jun-06	30-Nov-06	T/M/Sc/C/Se Period Criteria
			LSIE SRR
			LSIE CDR
			IAC (Accepted at ORR)
2	1-Dec-06	31-May-07	T/M/Sc/C/Se Period Criteria
			Build 1.3 (Accepted at ORR)
			Build 1.4 (Accepted at ORR)
			Analytic IOC (Accepted at ORR)
3	1-Jun-07	30-Nov-07	T/M/Sc/C/Se Period Criteria
4	1-Dec-07	31-May-08	T/M/Sc/C/Se Period Criteria
			IOC 4B Cache (Accepted)
			Build 2.1 (Accepted at ORR)
			Build 2.2 (Accepted at ORR)
5	1-Jun-08	30-Nov-08	T/M/Sc/C/Se Period Criteria
			Build 3.1 (Accepted at ORR)
			Build 3.2 (Accepted at ORR)
			Release 3 (Accepted at ORR)
6	1-Dec-08	31-May-09	T/M/Sc/C/Se Period Criteria
			Build 4.1 (Accepted at ORR)
			Build 4.2 (Accepted at ORR)
			FOC (Accepted at ORR)

**LSIE Award Fee Criteria and Milestone Pools by Period (All CLINs)**

7	1-Jun-09	30-Nov-09	T/M/Sc/C/Se Period Criteria
8	1-Dec-09	31-May-10	T/M/Sc/C/Se Period Criteria
9	1-Jun-10	30-Nov-10	T/M/Sc/C/Se Period Criteria
10	1-Dec-10	31-May-11	T/M/Sc/C/Se Period Criteria
11	1-Jun-11	30-Nov-11	T/M/Sc/C/Se Period Criteria
12	1-Dec-11	31-May-12	T/M/Sc/C/Se Period Criteria
-	5-Jun-06	31-May-12	Total Maximum Award Fee

**Notes:**

- Maximum award fee dollars for each CLIN/Sub-CLIN to be taken from negotiated contract Section B table.
- Criteria pool dollars evaluated on a 6-month cycle for all active CLINs. (Period 1 start date per contract start of 5-June-06.)
- Milestone pool dollars graded and awarded within AF period where milestone event is completed/accepted:
- Milestone dates notional based on 5/23/06 L-3 Technical/Management Proposal, pg. 20 (reference target dates above).
- Final dates set in Master Schedule delivered and agreed to at PIR.
- CLIN 003A turn on at Analytic IOC in May-07; spanning award fee periods 2,3,4.
- Allocation of criteria pool dollars across periods based on number of months of CLIN-based effort performed within each period.
- "T/M/Sc/C/Se" 6-month evaluation criteria as outlined in the LSIE Award Fee Plan:
  - T - Technical Performance
  - M - Project Management
  - Sc - Schedule/Delivery Performance
  - Se - Security Performance
  - C - Cost Performance and Control

LSIE Work Breakdown Structure

Level	WBS	SOW Para.	Element Title	Description	CLIN Mapping
0	---	---	LSIE Contract	All effort required to develop, integrate, test the LSIE system; and provide operations and maintenance services.	---
1		3.1, 3.2, 3.4, 4.0, 5.0, 6.0	LSIE Development & Initiation	All effort required to design, procure, develop (through incremental releases), integrate, and test the LSIE system. Element does not include effort to maintain or operate the deployed functionality and infrastructure.	CLIN 001
2	1.1	3.4.5	IT Infrastructure	The information technology infrastructure required to host the LSIE software applications, and collect/ingest LSIE-required Internet and open source data. Includes design, acquisition (service agreements, lease, purchase or produce), installation and inte	CLIN 001
3	1.1.1	3.4.5	Servers and Storage	The computer servers and mass storage devices sized for LSIE required functionality for IOC "core" functionality. Includes operating system and other software bundled with the hardware.	CLIN 001
3	1.1.2	3.4.5	System Infrastructure Software	The software additional to bundled software (see 1.1.1) needed for hardware infrastructure operations (excluding LSIE applications COTS/NDI packages). This cost element includes any expense required to purchase, lease or otherwise acquire any commercial-o	CLIN 001
3	1.1.3	3.4.5	Network Equipment	The networking equipment required to satisfy LSIE infrastructure internal connectivity and performance requirements.	CLIN 001
3	1.1.4	3.4.5	Leased Communication Lines (Initial)	The set-up and initiation (inclusive of specific communications units) of communications lines for open Internet crawl and scheduled/on-demand data ingest sufficient for the LSIE system to perform as required up to system IOC of Release 1.	CLIN 001
3	1.1.5	3.4.5	Support Equipment and Software	Peripheral devices and associated software not directly engaged in performing mission functions but required to support and maintain the system or portions of the system.	CLIN 001
3	1.1.6	3.4.6	Assembly, Installation, Checkout	All effort required to assemble, install, checkout, and fully integrate the information technology infrastructure as a complete functioning subsystem.	CLIN 001
2	1.2	3.4.2, 3.4.3, 3.4.4, 3.4.5, 3.4.6	Application Development	The application software that is specifically procured and tailored (COTS licenses, NDI applications), and/or developed (all costs required to develop deliverable line of application software) to satisfy LSIE requirements inclusive of all application func	CLIN 001
3	1.2.1	3.4.3, 3.4.4, 3.4.5	Release 1 (Core)	All effort required to deliver release 1 (core) functionality across all application areas as required for IOC.	CLIN 001
4	1.2.1.1	3.4.3, 3.4.4, 3.4.5	Content Ingestion	Effort required to ensure ingest of Internet data, raw content, on-going feeds, bounded sets inclusive of crawler harvests, and first-pass indexing and filtering (content, genre, etc.).	CLIN 001
4	1.2.1.2	3.4.3, 3.4.4, 3.4.5	Data Store Management & Mining	Effort required for the development of data miners, metadata schema (scoped for auto and user tagging), data storage and retrieval, full indexing (sort, merge, categorize, language detection, entities; etc.)	CLIN 001
4	1.2.1.3	3.4.3, 3.4.4, 3.4.5	Query	Effort required to enable exploration-derived LSIE queries via query engines and processing: search, retrieve ("pull all"), classify/characterize, relevance ranking/authoritative value, entities and name variants, taxonomy categorization, etc.	CLIN 001
4	1.2.1.4	3.4.3, 3.4.4, 3.4.5	Analysis; Exploration	Effort required to provide qualitative/quantitative exploration and analysis capabilities. Includes development or acquisition of functions such as site analysis, metadata analysis, community maps, visualization tools, network displays, language translati	CLIN 001
4	1.2.1.5	3.4.3, 3.4.4, 3.4.5	User Services	Effort required to develop user interface environment, inclusive of user workspace, workflow managers, web browser displays, alert and query managers, and collaborative work environments.	CLIN 001

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4	1.2.1.6	3.4.6	Release Integration & Test	Integration and test, verification and validation and the systems engineering and technical control of the CSCIs. Integration and test is the planning, conducting and analysis of tests that verify correct and proper performance of each CSCI operating as a	CLIN 001
4	1.2.1.7	3.2.2, 3.4.2, 3.4.3	Release Systems Engineering / Project Management	The design and management required to develop by-release incremental LSIE functionality. Includes management planning and oversight of release requirements, translation of customer requirements into release requirements & configurations design, design of	CLIN 001
3	1.2.2	3.4.3, 3.4.4, 3.4.5	Release 2	All effort required to deliver release 2 functionality across all application areas as required for incremental functionality (notional 6-month deployment window).	CLIN 001
4	1.2.2.1	3.4.3, 3.4.4, 3.4.5	Content Ingestion	Effort required to ensure ingest (across multiple data types) of internet data, raw content, on-going feeds, bounded sets inclusive of crawler harvests, and first-pass indexing and filtering (content, genre, etc.).	CLIN 001
4	1.2.2.2	3.4.3, 3.4.4, 3.4.5	Data Store Management & Mining	Effort required for the development of data miners, metadata schema (scoped for auto and user tagging), data storage and retrieval, full indexing (sort, merge, categorize, language detection, entities, etc.)	CLIN 001
4	1.2.2.3	3.4.3, 3.4.4, 3.4.5	Query	Effort required to enable exploration-derived LSIE queries via query engines and processing: search, retrieve ("pull all"), classify/characterize, relevance ranking/authoritative value, entities and name variants, taxonomy categorization, etc.	CLIN 001
4	1.2.2.4	3.4.3, 3.4.4, 3.4.5	Analysis; Exploration	Effort required to provide qualitative/quantitative exploration and analysis capabilities. Includes development of functions such as site analysis, metadata analysis, community maps, visualization tools, network displays, language translation tools. Inclu	CLIN 001
4	1.2.2.5	3.4.3, 3.4.4, 3.4.5	User Services	Effort required to develop user interface environment, inclusive of user workspace, workflow managers, web browser displays, alert and query managers, and collaborative work environments.	CLIN 001
4	1.2.2.6	3.4.6	Release Integration & Test	Integration and test, verification and validation and the systems engineering and technical control of the CSCIs. Integration and test is the planning, conducting and analysis of tests that verify correct and proper performance of each CSCI operating as a	CLIN 001
4	1.2.2.7	3.2.2, 3.4.2, 3.4.3	Release Systems Engineering / Project Management	The design and management required to develop by-release incremental LSIE functionality. Includes management planning and oversight of release requirements, translation of customer requirements into release requirements & configurations design, design of	CLIN 001
3	1.2.3	3.4.3, 3.4.4, 3.4.5	Release 3	All effort required to deliver release 3 functionality across all application areas as required for incremental functionality (notional 6-month deployment window).	CLIN 001
4	1.2.3.1	3.4.3, 3.4.4, 3.4.5	Content Ingestion	Effort required to ensure ingest (across multiple data types) of internet data, raw content, on-going feeds, bounded sets inclusive of crawler harvests, and first-pass indexing and filtering (content, genre, etc.).	CLIN 001
4	1.2.3.2	3.4.3, 3.4.4, 3.4.5	Data Store Management & Mining	Effort required for the development of data miners, metadata schema (scoped for auto and user tagging), data storage and retrieval, full indexing (sort, merge, categorize, language detection, entities, etc.)	CLIN 001
4	1.2.3.3	3.4.3, 3.4.4, 3.4.5	Query	Effort required to enable exploration-derived LSIE queries via query engines and processing: search, retrieve ("pull all"), classify/characterize, relevance ranking/authoritative value, entities and name variants, taxonomy categorization, etc.	CLIN 001
4	1.2.3.4	3.4.3, 3.4.4, 3.4.5	Analysis; Exploration	Effort required to provide qualitative/quantitative exploration and analysis capabilities. Includes development of functions such as site analysis, metadata analysis, community maps, visualization tools, network displays, language translation tools. Inclu	CLIN 001

LSIE Work Breakdown Structure

4	1.2.3.5	3.4.3, 3.4.4, 3.4.5	User Services	Effort required to develop user interface environment, inclusive of user workspace, workflow managers, web browser displays, alert and query managers, and collaborative work environments.	CLIN 001
4	1.2.3.6	3.4.6	Release Integration & Test	Integration and test, verification and validation and the systems engineering and technical control of the CSCIs. Integration and test is the planning, conducting and analysis of tests that verify correct and proper performance of each CSCI operating as a	CLIN 001
4	1.2.3.7	3.2.2, 3.4.2, 3.4.3	Release Systems Engineering / Project Management	The design and management required to develop by-release incremental LSIE functionality. Includes management planning and oversight of release requirements, translation of customer requirements into release requirements & configurations design, design of	CLIN 001
3	1.2.4	3.4.3, 3.4.4, 3.4.5	Release 4	All effort required to deliver release 4 functionality across all application areas as required to meet FOC functionality.	CLIN 001
4	1.2.4.1	3.4.3, 3.4.4, 3.4.5	Content Ingestion	Effort required to ensure ingest (across multiple data types) of internet data, raw content, on-going feeds, bounded sets inclusive of crawler harvests, and first-pass indexing and filtering (content, genre, etc.).	CLIN 001
4	1.2.4.2	3.4.3, 3.4.4, 3.4.5	Data Store Management & Mining	Effort required for the development of miners, metadata schema (scoped for auto and user tagging), data storage and retrieval, full indexing (sort, merge, categorize, language detection, entities, etc.)	CLIN 001
4	1.2.4.3	3.4.3, 3.4.4, 3.4.5	Query	Effort required to enable exploration-derived LSIE queries via query engines and processing: search, retrieve ("pull all"), classify/characterize, relevance ranking/authoritative value, entities and name variants, taxonomy categorization, etc.	CLIN 001
4	1.2.4.4	3.4.3, 3.4.4, 3.4.5	Analysis; Exploration	Effort required to provide qualitative/quantitative exploration and analysis capabilities. Includes development of functions such as site analysis, metadata analysis, community maps, visualization tools, network displays, language translation tools. Inclu	CLIN 001
4	1.2.4.5	3.4.3, 3.4.4, 3.4.5	User Services	Effort required to develop user interface environment, inclusive of user workspace, workflow managers, web browser displays, alert and query managers, and collaborative work environments.	CLIN 001
4	1.2.4.6	3.4.6	Release Integration & Test	Integration and test, verification and validation and the systems engineering and technical control of the CSCIs. Integration and test is the planning, conducting and analysis of tests that verify correct and proper performance of each CSCI operating as a	CLIN 001
4	1.2.4.7	3.2.2, 3.4.2, 3.4.3	Release Systems Engineering / Project Management	The design and management required to develop by-release incremental LSIE functionality. Includes management planning and oversight of release requirements, translation of customer requirements into release requirements & configurations design, design of	CLIN 001
2	1.3	3.3, 3.4.10	Applications Maintenance (Base Period)	This element includes all costs for software maintenance for the LSIE applications for all deployed releases (during the base period) inclusive of all functional areas as defined under element 1.2 Applications Development. Includes effort required for bug	CLIN 001
2	1.4	3.1, 3.2, 3.4.1, 3.4.2, 4.0, 6.0	System-Level SE/PM	The architectural system design and engineering and technical control (at the system level) as well as the business and program management of the LSIE contract activities.	CLIN 001
3	1.4.1	3.2, 3.4.1, 3.4.2, 6.0	Systems Engineering	The technical and management efforts of directing and controlling a totally integrated architecture and engineering effort for the LSIE system, especially architecture design engineering effort through design concept review and technical oversight guidanc	CLIN 001

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3	1.4.2	3.1, 3.4.1, 3.4.2, 6.0	Project Management	Business and administrative planning, organizing, directing, coordinating, controlling, and approval actions designated to accomplish overall program objectives. Includes effort for: cost, schedule performance measurement management, contract management.	CLIN 001
2	1.5	3.4.6, 3.4.7, 3.4.8	System Test & Evaluation	The use of integration labs (SILs), prototype, production hardware/software to obtain or validate the performance of LSIE (at the system level) upon completion of the development phase and at deployment of each incremental release. Effort includes: develo	CLIN 001
2	1.6	3.4.9	Initial Training	Development of training services (hardcopy or computer software versions of course material), accessories, training aids, and execution of training services (during the development phase) to facilitate instruction through which personnel will learn to ope	CLIN 001
2	1.7	4	Data and Documentation	The deliverable data required as listed on the contract data requirements list. Effort includes (as applicable): technical publications, engineering data, management data, support data, data depository.	CLIN 001
2	1.8	3.3, 3.4.1, 3.4.2, 3.4.3, 3.4.5, 3.4.8, 6.0	Facilities	The real estate, construction, conversion, utilities, and equipment (including facility security equipment) to provide all facilities required to house LSIE mission equipment. Effort includes: modernization (where applicable), and leasing arrangements.	CLIN 001
3	1.8.1	3.4.5	Lease Agreements	The cost for establishing leasing agreements for the LSIE facility with initial development through system IOC.	CLIN 001
3	1.8.2	3.3, 3.4.1, 3.4.2, 3.4.3, 3.4.5, 3.4.8, 6.0	Renovation; Modifications	All effort required to renovate and/or modify a facility (including environmental studies and physical security features) to house the LSIE IT infrastructure. Includes computer center build out, environmental equipment, and security measures.	CLIN 001
1		2.3.1, 3.2, 3.3, 3.4.1, 3.4.2, 3.4.3, 3.4.5, 3.4.6, 3.4.8, 3.4.10, 6.0	LSIE Operations & Maintenance	This major element includes all costs to sustain the LSIE system and to provide LSIE services to FBIS users. It includes the cost to manage and maintain the hardware and software to sustain operations throughout the period of performance.	CLIN 003/004
2	2.1	3.3, 3.4.5, 3.4.6, 3.4.10	Infrastructure Maintenance	All costs associated with the maintenance, technology refresh and capacity growth of the LSIE infrastructure.	CLIN 003/004
3	2.1.1	3.3, 3.4.5, 3.4.6	Storage Growth	Costs associated with incrementally scaling the LSIE IT infrastructure to capture open source data in pace with desired capacity over time and to ensure acceptable system performance.	CLIN 003/004
3	2.1.2	3.3, 3.4.5, 3.4.6	Hardware Technology Refresh	This element contains all costs associated with the acquisition (lease, purchase or produce) of replacement components, replenishment items, supplies and consumables required over the LSIE contract period. Element may include, as applicable given purchase	CLIN 003/004
3	2.1.3	3.3, 3.4.10	Software Licenses & Commercial Agreements	Software license and commercial agreement upgrades and renewals for both system software and LSIE-specific COTS applications (subsequent to release deployment) during the system operations phase.	CLIN 003/004
3	2.1.4	3.3	Leased Communication Lines (recurring)	Usage costs for communications lines for open internet crawl and scheduled/on-demand data ingest sufficient for the LSIE system to perform as required.	CLIN 003/004
2	2.2	3.1, 3.2, 3.3, 6.0	Operations Personnel	The labor and resources needed to operate the LSIE system in accordance with performance requirements.	CLIN 003/004
3	2.2.1	3.1, 3.2, 3.3, 6.0	Operations Management	The management resources required during the LSIE operational service period such as program and deputy manager, program control, security staff, ODCs and travel. Includes the management services, and support resources needed to manage the program after I	CLIN 003/004

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3	2.2.2	3.2, 3.3, 6.0	Operations Engineering	All labor costs associated with the system engineering during LSIE service operations, inclusive of system operations security, engineering trades (obsolescence issues), quality assurance and configuration management functions.	CLIN 003/004
3	2.2.3	3.3, 6.0	Operational Support (Production Staff)	All labor costs associated with the personnel necessary to operate the LSIE hardware/software infrastructure. Includes the system administrators, system operators, property accountability support, and information security staff.	CLIN 003/004
3	2.2.4	3.3, 3.4.9	Technical Support; Recurring Training	All labor costs associated with technical support and training issues. Element includes on-site support (at Government site) for ad hoc training and trouble-shooting, help desk support, and recurring training (including ODCs for training materials).	CLIN 003/004
2	2.3	3.3, 3.4.10	Applications Maintenance (Option Periods)	This element includes all costs for software maintenance for the final release of LSIE (as incurred during the option periods) inclusive of all functional areas as defined under element 1.2 Applications Development. Includes effort required for bug fixes,	CLIN 003/004
2	2.4	3.3, 3.4.1, 3.4.2, 3.4.3, 3.4.5, 3.4.8, 6.0	Facilities Maintenance	The maintenance and continued availability of all facilities required to house LSIE mission equipment during system operations. Includes: leasing arrangements, physical security upgrades, and facilities maintenance.	CLIN 003/004
3	2.4.1	3.4.5	Lease Agreements	The cost for continued leasing agreements to insure LSIE facility is available through operational service period of performance.	CLIN 003/004
3	2.4.2	3.3, 3.4.1, 3.4.2, 3.4.3, 3.4.5, 3.4.8, 6.0	Facility Maintenance	All costs associated with IT facility maintenance through the operational service period (excluding maintenance costs otherwise captured in standard leasing agreements).	CLIN 003/004
1	3	3.2.3	Engineering Studies	All labor costs associated with special engineering studies, engineering change proposals, enhancements and further development in response to Government CO direction.	
2	3.1	3.2.3	Engineering Studies – Base Period	All labor costs associated with special engineering studies in response to Government CO direction during the LSIE base contract period. <i>[For base-period cost proposal development, the Government recommends scoping assumption as follows: two engineering</i>	CLIN 001
2	3.2	3.2.3	Engineering Studies – Option Periods	All labor costs associated with special engineering studies, engineering change proposals, enhancements and further development in response to Government CO direction during the LSIE option periods. <i>[For option-periods cost proposal development, the Gove</i>	CLIN 002

## Government Position on GFE List

Table below provides the Government's position (including need date) on L-3's GFE list:

<u>Notes</u>	<u>Government Furnished</u> <u>E/F/S/I</u>	<u>Rational</u>	<u>Need Date</u>
	CyberTrans II	Machine translation and encoding software available from the Government; which reduces the cost to OSC	2 weeks prior to first SRR
	WordScape	Dictionary software available from the Government, which reduces the cost to OSC	2 Weeks Prior to first SRR
1	BrightPlanet Deep Query Manager (DQM)	Provide existing OSC licenses for DQM including software maintenance	PDR
2	Oracle 10G	Provide Agency licenses for Oracle 10G	PDR
3	Standard OSC user unclassified workstation with approved software suite	While our LSIE approach uses a standard Web based Interface, definition of the user's workstation and software environment will allow us to maximize the performance of our user interface	One month after Contract Award
	Standard OSC firewall configuration	Simplifies the firewall configuration process and facilitates subsequent security approval	PIR
4	Seed Crawl List	Ensures that the information collected and processed by LSIE is focused on the LSIE mission needs	PIR
	OSC product for LSIE system ingest and indexing (Project AEGUS, Video Server, DAVE, etc.)	Supports rapid integration of information from these systems into LSIE	2 weeks prior to first SRR
5	All pertinent existing system baseline information (including ICDs)	Knowledge of the existing baseline configurations will simplify and expedite our work to interface LSIE with these systems	PIR
6	Examples of collected data needed for system validation	Essential to both understanding LSIE functionality requirements and the creation of data sets used in the creation and validation of our LSIE Release Build's functionality	PIR
	Taxonomy Structure (with entity names, taxonomy hierarchy & entity values)	Customer created and operationally validated seed Taxonomy Structure will greatly expedite the creation of a mission- relevant LSIE Taxonomy	PIR
7	One workspace OSC headquarters	Allows for the efficient interaction between the Team, LSIE users, and OSC personnel	2 months prior to IAC
8	Deliverable templates	Simplify document production and delivery	See LSIE bidder's library
	Guide for Developing an Information System (IS) System Security Plan	Simplify security document production and delivery; facilitate system security approval	PIR

Government comments on GFE table:

1. BrightPlanet DQM added per discussions with Offeror.
2. Oracle 10G added per discussions with Offeror.
3. Government position on OSC workstation need date: one month after contract award.
4. Government intends to provide progressive deliveries of the url seed crawl list with an initial draft version (pulled from existing system) provided at PIR. Government requests a joint analysis between L-3 and the LSIE users to ensure each Government incremental delivery will be enhanced and refined to provide better quality urls for IAC initial crawl.
5. As currently stated, this specific GFE item relatively open ended. Government requests further definitization of this item. Government will support delivery of all Government-owned baseline information as applicable to required LSIE interfaces.
6. Government requests specific examples from L-3 of the types of data needed for validation. Government will support collection and delivery of such validation data.
7. Government position on  workspace need date: two months prior to IAC.
8. Government provided all deliverable templates on the ACE-hosted LSIE website under the bidder's library link. Government will support delivery of all pertinent templates.

### Required Data Elements by Report Type

	Property Category	Asset ID #	Contract Number	Contract Name	Generic Asset Name	Description	Manufacturer	M/F Make	M/F Model #	M/F Serial #	Acquisition Cost	ACQ Date	ACQ Doc #	Doc Location	Date Furnished	Asset Status	Quantity	Unit of Measure	Address	Building	Room	Disposition Type	Disposition Doc #	Disposition Date	
Government Property Report (Initial)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X							
Government Property Report (Quarterly & Annual)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X				
Disposition Report	X	X	X	X	X	X	X	X	X	X	X	X		X	X	X	X					X	X	X	

## Attachment 7

## Reporting Requirements for Government Property

## Introduction

1. This document provides guidance on the reporting requirements for Government property held by contractors.
2. In order to comply with the various Federal Regulations and OMB Guidance on Agency Financial Statements, the Agency will require periodic reports of the status and condition of Government Property held by contractors.
3. There are three types of reports that are used to manage this information flow. These reports provide critical information for the Government's financial statements and property management. Accuracy, completeness, and timeliness of the report are critical to many aspects of the Government's operations.
  - a. *Government Property Report (Initial)* – The Contracting Officer will provide this report to the contractor as an attachment in Section J of the contract. The information in this report will provide the contractor with the required information for subsequent reporting of Government Property.
  - b. *Government Property Report (Quarterly & Annual)* – The contractor will complete and submit this report quarterly (see **Financial Reporting of Government Property** below for further information). For the first three quarterly reports, the contractor is only required to report on additions and deletions of Government Property with an acquisition cost of equal to or greater than \$50,000 since the previous report. The fourth quarter report, also known as the Annual Report, will include all Government Property records.
  - c. *Disposition Report* – The contractor will complete this report when the status of an asset changes and to request disposition instructions for that asset from the Contracting Officer. This report can be used at anytime during the life of a contract, but is required at the close of a contract.

## Definitions of Terminology for Government Property Reporting

1. *Property, Plant, and Equipment (PP&E)*. Property, Plant, and Equipment are tangible assets that meet the following requirements.
  - a. Have a useful life of two (2) years or more;
  - b. Not intended for sale in the ordinary course of business;
  - c. Have been acquired or constructed for use by Sponsor.
  - d. PP&E also includes Capital Leases, but excludes items held for consumption such as operating materials and supplies. (Note: items that will lose their identity as they become part of another item.)
2. *Acquisition Cost – PP&E*. The sum of all costs incurred to bring the PP&E to the form and location of its intended use. Depending on the facts and circumstances by which the PP&E was acquired, cost may include any of the following items:
  - a. Amounts paid to vendors;
  - b. Transportation charges to point of initial use;
  - c. Handling and storage costs;
  - d. Labor and other direct or indirect production costs (for assets constructed or for improvements made to existing assets);
  - e. Engineering, architectural, and other outside services for designs, plans, specifications, and surveys;
  - f. Purchase price and preparation costs for buildings and other facilities;
  - g. An appropriate share of the cost of the equipment and facilities used in construction;
  - h. Fixed equipment and related installation cost required for activities in a building or facility;

- i. Direct costs of inspection, supervision and administration of construction contracts and construction work;
  - j. Legal and recording fees and damage claims;
  - k. Fair value of equipment and facilities donated to the Government, and
  - l. Material amounts of interest costs paid.
3. *Acquisition Date.* The date when the Government takes title to or receives an asset, whichever occurs first. For GFE/GFP where the Government did not provide this information, the date will be when the contractor received the property under contract. For CAP the Acquisition Date will be the date that the contractor placed the item into service.
  4. *Contractor-Acquired Property (CAP)* as used in this part means property acquired or otherwise provided by the contractor for performing a contract and to which the Government has title.
  5. *Government-Furnished Property/Government-Furnished Equipment/Contractor-Acquired Property (GFP/GFE/CAP)* includes government-owned equipment and any other General PP&E provided to or procured by a contractor to use for performance under a contractual agreement with the Government to which the Government has title. Equipment which cannot operate in a standalone manner, or other property that is a component of finished goods, is considered Inventory for Sale within the definition of this regulation and not reportable as GFP/GFE/CAP.
  6. *Inventory* is tangible property that may include Bulk Purchases and is (a) held for sale, (b) in the process of production for sale, or (c) is consumed in the production of goods for sale. Inventory is distinct from GFE/GFP/CAP. An item of equipment intended to be integrated into a finished goods asset will be considered Inventory if it cannot operate in a standalone manner. Otherwise, the equipment will be classified and reported as GFE/GFP/CAP until such time as the asset is integrated into the finished goods. Inventory may be valued at latest acquisition cost or historical cost, which includes all costs incurred to bring the asset to its current condition and location.
  7. *Materials* are tangible personal property consumed in normal operations, including Bulk Purchases but excluding items defined above as Inventory. Materials may be valued at latest acquisition cost or historical cost.
  8. *Agency-Peculiar Property* is all property that includes costs of completed items, unique to the Agency, which are capable of stand-alone operation. Examples include safes or secure communication equipment.
  9. *Transfer of Property* is a change in accountability of the property between and among prime contracts, to another contractor, to the Government, or to other Government agencies.

### Financial Reporting of Government Property

1. The Contractor shall submit a Government Property Report quarterly. The Contractor shall use the format outlined in the Section J attachment entitled "Government Property Report" and mail an original signed hardcopy of the Government Property Report along with softcopy in Excel spreadsheet format on a CD to the Government Property Administrator at the address provided in the Section G contract clause entitled "Government Property". The recommended spreadsheet format is landscape using Courier New font size 11.
2. The prime Contractor shall include data on property in the possession of subcontractors in their reports.
3. The contractor is responsible for submitting four reports throughout the year. The first three quarterly reports the contractor will only include information on additions and deletions of Government property with an acquisition cost equal to or greater than \$50,000 since the previous report. The final or Annual Report will include information on all Government property, which includes GFP/GFE/CAP, Inventory, and Materials, held by the contractor.
4. The annual reporting period shall be from October 1 of each year through September 30 of the following year. Quarterly reports should indicate balance as of November 30, February 28, May 31, and August 31. The reports shall be submitted in time to be received by the 15<sup>th</sup> day of the reporting month: December, March, June, and September. The information contained in these reports is entered into the accounting system to reflect current asset values for financial statement purposes.



3. *Contract Number* – Enter the government contract number. In the case of subcontract relationships, please enter the number for the contract established with the government.
4. *Contractor Name* – Enter the name of the contractor who is the holder of record for government property. In the case of subcontractor relationships, please enter the name of the prime contractor. The sub-contractor's name should be entered in the "Address" cell. Contractor name abbreviations are not acceptable for this cell.
5. *Generic Asset Name/Description* – Enter the generic name/standard nomenclature of the asset in this cell. If the asset does not have a name, describe the asset's function in this cell.
6. *Manufacturer Name* – Enter the name, if known, regardless whether the asset was provided by the government, acquired by the contractor, or constructed by the contractor. Example Toyota.
7. *Mfr. Make* – Enter the manufacturer's make or description. Example Camry.
8. *Mfr. Model* - Enter the manufacturer's model name or number.
9. *Mfr. Serial #* - Enter the manufacturer's unique serial number. In the rare cases where the asset does not have a serial number, enter "None."
10. *Acquisition Cost* – Enter the cost of the asset to include all costs incurred to place the asset in the form and location of its intended use.
11. *Acquisition Date* – Enter the date the property was placed into service.
12. *Acquisition Document #* - Enter the ID number of the document related to the acquisition source of the asset. Examples include transmittal documents for government furnished property and receiving and invoice documents for contractor acquired property.
13. *Document Location* - Enter the department or physical location of the document related to the acquisition source of the asset.
14. *Furnished Date* - Enter the date the property was furnished for this contract.
15. *Asset Status* – Select the appropriate selection from the five choices below:
  - a. In use – Where the asset is in working condition and being used.
  - b. In transit – Where the asset is being transported from one location to another or from the contractor to the government.
  - c. In storage – Where the asset is in working condition, but is not being used.
  - d. In repair – Where the asset is not in working condition, and is being repaired
  - e. Lost – Where the contractor cannot ascertain the asset's location while they are responsible for the asset
16. *Quantity* – Enter the amount on hand as of the quarterly reporting dates; November 30, February 28, May 31, and August 31 for the particular piece of property, equipment, inventory, or materials. This cell will only accept whole numbers above zero.
17. *Unit of Measure* – Enter the unit of measure for the item. Common responses include: each, foot, yard, gallon, acre, etc.
18. *Address* – Enter the address including street, city, and state the asset is located. For subcontract relationships, enter the subcontractor's name and address.
19. *Building* – Enter the building name/number the asset is located.
20. *Room* – Enter the room number of the building the asset is located.
21. *Disposition Type* - Describes the reason the contractor is seeking disposition.
  - a. Lost, Damaged or Destroyed - Deletion amounts that result from relief from responsibility under FAR 45.503 granted during the reporting period.
  - b. Transferred in Place - Deletion amounts that result from transfer of property to a follow-on prime contract or other prime contract with the same contractor.
  - c. Transferred to Agency Accountability - Deletion amounts that result from transfer of accountability to the Agency responsible for the contract, whether or not items are physically moved.
  - d. Transferred to Another Contractor - Deletion amounts that result from transfer of accountable government property from one responsible contractor to another responsible contractor.
  - e. Transferred to Another Government Agency - Deletion amounts that result from transfer of property to another Government agency.

- f. Purchased at Cost/Returned for Credit - Deletion amounts that result from contractor purchase or retention of contractor-acquired property as provided in FAR 45.605-1, or from contractor returns to suppliers under FAR 45.605-2.
  - g. Disposed of Through Plant Clearance Process - Deletions other than transfers within the Federal Government, e.g., donations to eligible recipients, sold at less than cost, or abandoned/directed destruction, or trade-ins.
  - h. Other - Types of deletion other than those reported in paragraph (a) through (g) of this section such as those resulting from reclassifications (e.g. from equipment to agency-peculiar property).
22. *Disposition Document Number* – Enter the asset's disposition document number as provided to either the government or other party when this asset was removed from your accountability system.
23. *Disposition Date* – The date the Contractor's Property Administrator requested the disposition.

### Instructions For Completing the Annual Government Property Report

1. *General:* The prime contractor shall report all property in its custody or in the custody of its subcontractor(s) as of the end of the annual reporting period by completing and certifying the final or annual report (see Financial Reporting of Government Property paragraph 3) which will consist of the following:
- a. Completed Form 5025 entitled Annual Government Property Report,
  - b. Government Property Report (Excel spreadsheet containing the data elements identify in Table 1 above as the Government Property Report (Quarterly & Annual)),
  - c. Property Closeout Statement (if applicable), and
  - d. Copy of your latest Government Property Control System approval (FAR 45.104) by any Federal Government Agency.

The annual report shall be received no later than the 15<sup>th</sup> day of September. The Government may, depending on the volume of contracts and property held by the contractor, survey the contractor's Government Property Control System to verify the accuracy of reported data and the adequacy of the system for maintaining accountability of Government property.

2. *Form 5025 - Annual Government Property Report Instructions:*
- a. Prior to the end of the annual reporting period, the Government Property Administrator may provide the contractor with a list of all contract numbers that must be included in the Annual Government Property Report. The contractor shall report on all active contracts including zero balances, if applicable.
  - b. The following instructions correspond to the numbered items on the Form 5025.
    - 1. Enter the full name as it appears on your contract(s) and official mailing address of the prime contractor with the Division or Group name stated after the corporate name.
    - 2. Enter the Code (Vendor) and Facility (Location) Code assigned to your Division or Group. These codes can be found in block 8 of the contract SF30.
    - 3. Enter the contract number(s) for which property status is being reported, including any zero balance contracts. List the contract numbers starting with the oldest numbers first. If additional space is required, the Form 5025-continuation sheet may be reproduced as needed.
    - 4. Report on GFP and CAP on separate lines. GFP and CAP should include both materials and inventory.
    - 5. Insert the total quantity of GFP and/or CAP property being reported as the number of line items. As an example; Transmitter, Model ZYX, with a quantity of 5, and a Monitor, Model AQM, with a quantity of 30 would be shown as 2 since this is the number of line items being reported. The FAR allows Contractors to statistically sample items that fall below a set dollar amount, e.g., \$10, \$20, or \$100 when performing inventories. These items may be lumped together and reported as one line item identified as "LOT".

6. Provide the total acquisition cost for the total quantity of property being reported in column 5.
  7. Provide the sum of all GFP and CAP entries in column 5.
  8. Provide the sum of all GFP and CAP entries in column 6.
  9. The name, title, signature of the official certifying the accuracy of the report is required, as well as the date, phone and fax numbers.
3. *Government Property Report Instructions for Annual Submittal:* The final or Annual report will include information on all Government property, which includes GFP/GFE/CAP, Inventory, and Materials held by the contractor.
- a. The list of property shall be sorted by contract number and then by property category.
  - b. Acquisition costs and line items shall be totaled by property category for each contract.
  - c. A separate list of all property over \$50,000, sorted by contract number.
  - d. The recommended spreadsheet format is landscape using Courier New font size 11.
4. *Property Closeout Statement Instructions:* Upon completion or terminating of a contract, the contractor shall complete both Parts A and B of the Statement, date, sign and provide the title of the official certifying the accuracy of the Statement. The contractor shall provide a suggested disposition for any remaining accountable GFP/CAP. (A list of disposition types can be found in the Definition of Data Elements section.)