

1. CONTRACT (Proc. Inst. Ident.) NO. MDA903-81-C-0292
 2. EFFECTIVE DATE 81 Apr 06
 3. REQUISITION/PURCHASE REQUEST/PROJECT NO. 1002/0222
 4. CERTIFIED FOR NATIONAL DEFENSE UNDER DOSA REG. 2 AND/OR DMS REG. 1. S-1

5. ISSUED BY CODE W74V8H
 DEFENSE SUPPLY SERVICE-WASHINGTON
 Room 1D-245, The Pentagon
 Washington, DC 20310
 Attn: Mr. Sidney M. Koss (202)695-4577/mah
 6. AD REGISTERED BY (If other than block 5) CODE S0507A
 DCASMA - San Francisco
 1250 Bayhill Drive
 San Bruno, CA 94066
 7. DELIVERY FOB DESTINATION OTHER (See below)

8. CONTRACTOR NAME AND ADDRESS CODE 94025 FACILITY CODE
 SRI International
 333 Ravensworth Avenue
 Menlo Park, CA 94025
 9. DISCOUNT FOR PROMPT PAYMENT NET

10. SUBMIT INVOICES (4 copies unless otherwise specified) TO ADDRESS SHOWN IN BLOCK
 See Section G-1

11. SHIP TO/MARK FOR CODE
 See Section G-3
 12. PAYMENT WILL BE MADE BY CODE S0506A
 DCASR Los Angeles
 P.O. Box 45011
 Los Angeles, CA 90045

13. THIS PROCUREMENT WAS ADVERTISED, NEGOTIATED, PURJANT TO: 10 U.S.C. 2304 (a)(1) 41 U.S.C. 252 (c)

14. ACCOUNTING AND APPROPRIATION DATA
 ACRN: AA 9710400.44 6F0301 1222 503744 \$148,000

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S&T Project entitled: "Novel Intelligence Collection Techniques (GRILL FLAME)".

21. COST PLUS FIXED FEE TOTAL AMOUNT OF CONTRACT \$148,000
 CONTRACTING OFFICER WILL COMPLETE BLOCK 22 OR 26 AS APPLICABLE

22. CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return orig 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 obligation 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.)
 26. 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 continuation 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.

23. NAME OF CONTRACTOR BY *[Signature]*
 27. UNITED STATES OF AMERICA BY *[Signature]*
 (Signature of Contracting Officer)

24. NAME AND TITLE OF SIGNER (Type or print) Spencer Floyd, Director, Contract Administration
 25. DATE SIGNED 2008/09/10
 28. NAME OF CONTRACTING OFFICER (Type or print) Approved For Release 2003/09/10 : CIA-RDP96-00792R000100140057-0
 29. DATE SIGNED 17 June 81

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SECTION B - SUPPLIES/SERVICES AND PRICES

B-1. SERVICES AND PRICES

<u>ITEM NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
0001	S&T Project Entitled: "Novel Intelligence Collection Techniques (GRILL FLAME)."	

SGFOIA2



0002	Reports	* NSP
0002AA	Quarterly Progress and Fiscal Status Reports	
0002AB	Quarterly Progress Briefings	
0002AC	Quick Reaction Reports	
0002AD	Draft Final Report	
0002AE	Final Report	
0002AF	Support Material	

*NSP - Not Separately Priced

SECTION C - DESCRIPTION/SPECIFICATIONS

C-1. SCOPE OF WORK

(a) The contractor shall furnish the necessary personnel, materials, facilities, and other services as may be required to perform the work set forth herein, in the STATEMENT OF WORK (SOW) (Classified), dated 19 March 1981, and the contractor's technical proposal number ESU 81-60(classified), dated 23 March 1981, a copy of which is in the possession of both parties to this contract, which is hereby incorporated by reference with the same force and effect as if set forth in full text.

(b) In the event of an inconsistency between the provisions of this contract, the SOW and the technical proposal, the inconsistency shall be resolved by giving precedence in the following order: (i) the contract (excluding the technical proposal); and then (ii) the technical proposal.

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SECTION C - CONTINUED

C-2. REPORTS

The contractor shall submit the following written reports in accordance with the delivery schedule set forth in Section F.

(a) A report which shall contain major accomplishments, problems encountered, and amount of funds expended.

(b) An oral briefing of accomplishments and potential for further research, if any.

(c) A final technical report which shall include a complete and clear exposition of the basis for the measures of effectiveness developed, the specific methodologies used, and any other narrative, technical or tabular data necessary to understand the report and underlying consideration.

(d) Interim Technical Reports. These reports shall present a concise and factual discussion of technical findings and accomplishments during the period reported. The report shall be of technical publication quality including appropriate subject matter references. A brief synopsis of the contents of the report will be provided at the beginning of the report.

(e) Reports delivered by the contractor in the performance of the contract shall be considered "Technical Data" as defined in the applicable Rights in Technical Data clause of the General Provisions.

(f) Bulky reports shall be mailed by other than first-class mail unless the urgency of submission requires use of first-class mail. In this situation, one (1) copy shall be mailed first-class and the remaining copies forwarded by less than first-class.

(g) The heading of all reports shall contain the following information:

CONTRACT NUMBER	NAME OF CONTRACTOR
CONTRACT EXPIRATION DATE	CONTRACTOR'S PROJECT DIRECTOR
SHORT TITLE OF CONTRACT WORK	PHONE NUMBER

C-3. REPORT DOCUMENTATION PAGE (DD FORM 1473) APPLICABLE (ITEM 0002AA and 0002AC thru 0002AE)

Although Military Standard MIL-STD-847A is not mandatory for reports under this item, use of Report Documentation Page, DD Form 1473, is mandatory.

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SECTION C - CONTINUED

C-4. DISCLAIMER STATEMENT

All reports resulting from this study will contain the following disclaimer statement on the cover of such reports:

"The views, opinions, and findings contained in this report are those of the author(s) and should not be construed as an official Department of Defense position, policy, or decision, unless so designated by other official documentation".

SECTION D - PACKAGING AND MARKING

D-1. PACKAGING AND MARKING OF TECHNICAL DATA ITEMS

Technical Data Items shall be preserved, packaged, packed and marked in accordance with best commercial practices to meet the packing requirements of the carrier, and insure safe delivery at destination.

D-2. PACKAGING AND MARKING OF CLASSIFIED ITEMS

(a) CONFIDENTIAL or SECRET material will be packed to conceal it properly and to avoid suspicion as to contents, and to reach destination in satisfactory condition. Internal markings or internal packaging will clearly indicate the classification. NO NOTATION TO INDICATE CLASSIFICATION WILL APPEAR IN EXTERNAL MARKINGS. (See paragraph 17 of the Industrial Security Manual for Safeguarding Classified Information, DoD 5220.22-M).

(b) CONFIDENTIAL or SECRET documents will be inclosed in two (2) opaque envelopes or covers. The inner envelope or cover containing the documents being transmitted will be addressed, return addressed, and sealed. The classification of the documents being transmitted will be clearly marked on the front and back of the inner container. The classified documents will be protected from direct contact with the inner cover by a cover sheet or by folding inward. For SECRET documents, a receipt form identifying the addresser, addressee, and documents will be inclosed in the inner envelope. CONFIDENTIAL documents will be covered by a receipt only when the sender deems it necessary. The inner envelope or cover will be inclosed in an opaque outer envelope or cover. The classification markings of the inner envelope should not be detectable. The outer envelope will be addressed, return addressed, and sealed. NO CLASSIFICATION MARKINGS WILL APPEAR ON THE OUTER ENVELOPE OR COVER.

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SECTION E - INSPECTION AND ACCEPTANCE

E-1 INSPECTION AND ACCEPTANCE AT DESTINATION

Inspection and acceptance of the supplies or services to be furnished hereunder shall be made at destination by the receiving activity.

E-2. MATERIAL INSPECTION AND RECEIVING REPORT (1969 DEC) DAR 7-104.62 ITEM 0002AE

At the time of each delivery of supplies or services under this contract, the Contractor shall prepare and furnish to the Government a Material Inspection and Receiving Report in the manner and to the extent required by DAR Appendix I, "Material Inspection and Receiving Report".

SECTION F - DELIVERIES OR PERFORMANCE

F-1. TERM OF CONTRACT

The term of this contract is from the effective date of the contract through 05 April 1982

F-2. NOTICE REGARDING LATE DELIVERY

In the event the contractor anticipates difficulty in complying with the contract delivery schedule, the contractor shall immediately notify the Contracting Officer thereof in writing, giving pertinent details, including the date by which it expects to make delivery; PROVIDED, however, that this data shall be informational only in character and that receipt thereof shall not be construed as a waiver by the government of any contract delivery schedule, or any rights or remedies provided by law or under this contract.

F-3. REPORTS AND OTHER DELIVERABLES

Delivery of all reports and other deliverables shall be made to the address specified in Section G-3 in accordance with the following:

<u>ITEM NO.</u>	<u>DESCRIPTION</u>	<u>DATE (On or Before)</u>
0002AA	Quarterly Progress and Fiscal Status Reports	15 July 1981, 15 October 1981, and 15 January 1982
0002AB	Quarterly Progress Briefings	Quarterly, date as agreed to by COTR & Contractor

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SECTION F - CONTINUED

0002AC	Quick Reaction Reports	As required by COTR
0002AD	Draft Final Report	19 February 1982
0002AE	Final Report	05 April 1982
0002AF	Support Materials	As required

SECTION G - CONTRACT ADMINISTRATION DATA

G-1. VOUCHERS

Vouchers, identified by contract number, with supporting statements, shall be submitted for review and provisional approval to the cognizant audit agency listed below:

Defense Contract Audit Agency
298 So. Sunnyvale Ave., Suite 103
Sunnyvale, CA 94086

G-2. DELEGATION OF AUTHORITY FOR CONTRACT ADMINISTRATION

The DCASMA San Francisco is hereby designated as the authorized representative of the Contracting Officer for purpose of administering this contract in accordance with current directives.

G-3. CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR)

(a) The Contracting Officer's Technical Representative (COTR) under this contract is [redacted] c/o SRI International 333 Ravenswood Ave., Menlo Park, CA 94025 [redacted]

SG1A
SG1J (b) The COTR is designated to:

(i) Receive for the government, reports and other material called for in this contract and represent the Contracting Officer in the technical phases of the work.

(ii) Certify the contractor's "need to know" in connection with the contractor's:

(A) request for information from government activities,

(B) requests to private contractors for information developed pursuant to government contracts,

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SECTION G - CONTINUED

(C) visits to government installations and other government contractors to obtain information to be used in contract performance.

(c) The COTR is not authorized to:

(i) Change any of the terms and conditions of this contract. Changes in the scope of work will be made only by the Contracting Officer by properly signed written modification to the contract.

(ii) Redelagate his or her authority.

(iii) Initiate acquisition actions by use of imprest funds, blanket purchase agreements, or purchase orders, to place calls or delivery order under basic agreements, basic ordering agreements, or indefinite delivery type contracts.

SECTION H - SPECIAL PROVISIONS

H-1. FACILITIES CAPITAL COST OF MONEY

Notwithstanding the provisions of DAR 15-205.50, the contractor agrees that facilities capital cost of money is not an allowable cost under this contract.

H-2. ALLOWABLE COST

(a) Reproduction Costs.

Costs of "duplicating" as defined in Printing and Binding Regulations published by the Joint Committee on Printing of the Congress of the United States, current issue. Allowable reproduction and duplicating usually includes that produced from stencils, masters, and mats used on single unit duplicating equipment not larger than 11 by 17 inches with a maximum image of 10-3/4 by 14-1/4 inches, provided that, not more than 5,000 production units shall be produced of any page and that items consisting of multiple pages will not exceed 25,000 production units in the aggregate.

(b) Special Costs.

Special items which have been certified in writing by the Contracting Officer as constituting part of the contractor's undertakings hereunder.

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SECTION H - CONTINUED

H-3. IDENTIFICATION OF RESTRICTED RIGHTS COMPUTER SOFTWARE (1977 APR) DAR 7-2003.76

The offeror's attention is called to the requirement in the "Rights in Technical Data and Computer Software" clause that any restrictions on the government concerning use or disclosure of computer software which was developed at private expense and is to be delivered under the contract must be set forth in an agreement made a part of the contract, either negotiated prior to award or included in a modification of the contract before such delivery. Therefore, the offeror is requested to identify in his proposal to the extent feasible any such computer software which was developed at private expense and upon the use of which he desires to negotiate restrictions, and to state the nature of the proposed restrictions. If no such computer software is identified, it will be assumed that all deliverable computer software will be subject to unlimited rights.

H-4. MILITARY SECURITY CLASSIFICATION

Military security requirements in the performance of this contract shall be maintained in accordance with the DD Form 254 contained in Section J. The highest classification involved in the performance of this contract is TOP SECRET. This contract document is unclassified.

H-5. CLASSIFIED INFORMATION

The contractor will not use any electrical information processing equipment in his possession for the purpose of processing or transmitting classified information under this contract without the written permission of the Contracting Officer.

H-6. DISSEMINATION OF INFORMATION

There shall be no dissemination or publication, except within and between the contractor and any subcontractors, of information developed under this contract or contained in the reports to be furnished pursuant to this contract without prior written approval of the COTR or of the Contracting Officer.

H-7. INSURANCE SCHEDULE

The contractor shall maintain the types of insurance and coverage listed below.

TYPE OF INSURANCE

MINIMUM AMOUNT

(1) Workmen's Compensation and all occupational disease

As required by State Law

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SECTION H - CONTINUED

(ii)	Employer's Liability including all occupational disease when not so covered in Workmen's Compensation above	\$100,000 per accident
(iii)	General Liability (Comprehensive) Bodily Injury per occurrence	\$300,000
(iv)	Automobile Liability (Comprehensive) Bodily Injury per person Bodily Injury per occurrence Property Damage per accident	\$100,000 \$300,000 \$ 10,000

H-8. CHANGE IN KEY PERSONNEL

The contractor shall notify the Contracting Officer prior to making any change in the personnel identified in the proposal as key individuals to be assigned for participation in the performance of this contract. The contractor must demonstrate that the qualifications of the prospective personnel are equal to or better than the qualifications of the personnel being replaced.

SECTION I - GENERAL PROVISIONSGENERAL PROVISIONS FOR COST REIMBURSEMENT, RESEARCH AND
DEVELOPMENT CONTRACTS WITH NONPROFIT ORGANIZATIONS

I-1. The following Defense Acquisition Regulation clauses and provisions set forth in Subpart (a) and those checked in Subpart (b) hereof, the full text of which will be made available upon request, are incorporated by reference with the same force and effect as if set forth in full text.

Subpart (a)

Title	Date	DAR Reference
1. Definitions	1979 MAR	7-103.1
2. Allowable Cost, Fixed-Fee and Payment	1978 SEP	7-203.4(a) as modified by DAR 7-402.3(c)(6) Decreases \$100,000 to \$10,000.
3. Standards of Work	1959 FEB	7-402.4
4. Inspection	1959 FEB	7-402.5(b)
5. Assignment of Claims (The last sentence of paragraph (a) is omitted)	1962 FEB	7-103.8
6. Examination of Records by Comptroller General	1975 JUN	7-104.15
7. Subcontracts	1979 MAR	7-402.8(a)
8. Equal Opportunity Pre-Award Clearance of Subcontracts	1971 OCT	7-104.22
9. Utilization of Small Business and Small Disadvantaged Business Concerns	1980 AUG	7-104.14(a)
10. Termination for the Convenience of the Government -- Alternate	1974 APR	7-302.10(c)
11. Limitation on Withholding of Payments	1959 FEB	7-403.12(a)
12. Buy American Act and the Balance of Payments Program	1980 OCT	7-104.3
13. Convict Labor	1975 OCT	7-104.17
14. Walsh-Healey Public Contracts Act	1958 JAN	7-103.17
15. Contract Work Hours and Safety Standards Act - Overtime Compensation	1971 NOV	7-103.16
16. Equal Opportunity	1978 SEP	7-103.18(a)
17. Officials Not To Benefit	1949 JUL	7-103.19
18. Covenant Against Contingent Fees	1958 JAN	7-103.20
19. Authorization and Consent	1961 JAN	7-302.21
20. Notice and Assistance Regarding Patent and Copyright Infringement	1965 JAN	7-103.23

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SECTION I - CONTINUED

21. Certain Communist Areas	1980 FEB	7-103.15
22. Utilization of Labor Surplus Area Concerns	1978 JUN	7-104.20(a)
23. Audit by Department of Defense	1978 AUG	7-104.41(a)
24. Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era	1976 JUL	7-103.27
25. Affirmative Action for Handicapped Workers	1976 MAY	7-103.28
26. Clean Air and Water	1975 OCT	7-103.29
27. Reporting of Royalties (Foreign)	1966 OCT	7-104.8(a)
28. Excusable Delays	1969 AUG	7-203.11
29. Gratuities	1952 MAR	7-104.16
30. General Services Administration Supply Sources	1977 AUG	7-204.28
31. Priorities, Allocations, and Allotments	1975 OCT	7-104.18
32. Notice of Intent to Disallow or Not Recognize Costs	1978 AUG	7-203.35
33. Competition in Subcontracting	1962 APR	7-104.40

Subpart (b)

<u>Title</u>	<u>Date</u>	<u>DAR Reference</u>
If the contract is <u>fully funded</u> , check the following clause.		
(X) Limitation of Cost	1966 OCT	7-402.2(a)
If the contract is <u>incrementally funded</u> , check the following clause.		
() Limitation of Funds	1966 OCT	7-402.2(c)
If the contract is <u>\$500,000 or more</u> , check the following clauses.		
() Labor Surplus Area Subcontracting Program	1978 JUN	7-104.20(b)
() Subcontracting Plan for Small Business and Small Disadvantaged Business Concerns (Negotiated)	1980 AUG	7-104.14(b)

No Cost Accounting Standards clauses are required in this contract if the contract is executed outside the United States, its territories and possessions, or if the offeror has certified that it is a small business concern, or if the price is set by law or regulations. See DAR 3-1204.1(a). If the above does not apply and if the contract is negotiated and exceeds \$100,000, check the first and third clauses below, unless the contractor certifies that he is eligible for and elects to use modified contract coverage, in which case the second and third clauses below should be checked.

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SECTION I - CONTINUED

<input checked="" type="checkbox"/> Cost Accounting Standards	1978 MAY	7-104.83(a)(1)
<input type="checkbox"/> Disclosure and Consistency of Cost Accounting Practices	1978 MAY	7-104.83(a)(2)
<input checked="" type="checkbox"/> Administration of Cost Accounting Standards	1978 MAY	7-104.83(b)

If the contract may involve ocean or international transportation, check the appropriate clauses.

<input type="checkbox"/> Ocean Transport of Government-Owned Supplies	1963 NOV	7-104.19(a)
<input type="checkbox"/> Employment of Ocean-Going Vessels	1979 MAR	7-104.19(b)
<input type="checkbox"/> Preference for United States-Flag Vessels	1979 MAR	7-104.19(c)
<input type="checkbox"/> Preference for United States Flag Air Carriers	1975 NOV	7-104.95

If this is a classified contract, check the following clauses, and attach DD Form 254 or DD Form 254c, if necessary, to Section J.

<input checked="" type="checkbox"/> Military Security Requirements This clause is modified by deleting paragraphs (c) and (d) and substituting those found at DAR 7-204.12	1971 APR	7-104.12
<input checked="" type="checkbox"/> Filing of Patent Applications	1969 DEC	7-104.6

If the contract is awarded on the basis of adequate price competition and the contract is \$100,000 or more, check the following clauses.

<input type="checkbox"/> Price Reduction for Defective Cost or Pricing Data - Price Adjustments	1970 JAN	7-104.29(b)
<input type="checkbox"/> Subcontractor Cost or Pricing Data - Price Adjustments	1970 JAN	7-104.42(b)

If the contract is awarded without adequate price competition and the contract is \$100,000 or more, check the following clauses.

<input checked="" type="checkbox"/> Price Reduction for Defective Cost or Pricing Data	1970 JAN	7-104.29(a)
<input checked="" type="checkbox"/> Subcontractor Cost or Pricing Data	1970 JAN	7-104.42(a)

Check any of the following clauses, as appropriate, and add additional clauses as required.

<input type="checkbox"/> Service Contract Act of 1965, As Amended	1979 SEP	7-1903.41(a)
<input type="checkbox"/> Privacy Act	1975 NOV	7-104.96
<input checked="" type="checkbox"/> Government Property (Cost-Reimbursement, Nonprofit)	1972 SEP	7-402.25

SECTION I - CONTINUED

() Patent Rights - Acquisition by the Government (Long Form)	1977 AUG	7-302.23(a)
(X) Patent Rights - Retention by the Contractor (Long Form)	1977 AUG	7-302.23(b)
() Patent Rights - Deferred (Long Form)	1977 AUG	7-302.23(c)
() Patent Rights - Acquisition by the Government (Short Form)	1975 AUG	7-302.23(h)
() Patent Rights - Deferred (Short Form)	1975 AUG	7-302.23(i)
(X) Rights in Technical Data and Computer Software	1979 MAR	7-104.9(a)
() Rights in Technical Data - Specific Acquisition	1979 MAR	7-104.9(c)
() Rights in Data - Special Works	1979 MAR	7-104.9(e)
() Rights in Data - Existing Works	1979 MAR	7-104.9(f)
() Rights in Technical Data and Computer Software (Foreign)	1975 JUN	7-104.9(g)
(X) Technical Data - Withholding of Payment	1976 JUL	7-104.9(h)
(X) Changes	1967 APR	7-404.1
() Change Order Accounting	(Undated)	7-104.90
()		
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()		
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()		

I-2. DISPUTES (1980 JUN) ACQUISITION LETTER (AL) 80-16 DAR 7-103.12 1980 JUN

(a) This contract is subject to the Contract Disputes Act of 1978 (P.L. 95-563).

(b) Except as provided in the Act, all disputes arising under or relating to this contract shall be resolved in accordance with this clause.

(c) (i) As used herein, "claim" means a written demand or assertion by one of the parties seeking, as a matter of right, the payment of money, adjustment or interpretation of contract terms, or other relief, arising under or relating to this contract. However, a written demand by the contractor seeking the payment of money in excess of \$50,000 is not a claim until certified in accordance with (d) below.

(ii) A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim for the purposes of the Act. However, where such submission is subsequently disputed either as to liability or amount or not acted upon in a reasonable time, it may be converted to a claim pursuant to the Act by complying with the submission and certification requirements of this clause.

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SECTION I - CONTINUED

(iii) A claim by the contractor shall be made in writing and submitted to the contracting officer for decision. A claim by the Government against the contractor shall be subject to a decision by the Contracting Officer.

(d) For contractor claims of more than \$50,000, the contractor shall submit with the claim a certification that the claim is made in good faith, the supporting data are accurate and complete to the best of the contractor's knowledge and belief; and the amount requested accurately reflects the contract adjustment for which the contractor believes the Government is liable. The certification shall be executed by the contractor if an individual. When the contractor is not an individual, the certification shall be executed by a senior company official in charge at the contractor's plant or location involved, or by an officer or general partner of the contractor having overall responsibility for the conduct of the contractor's affairs.

(e) For contractor claims of \$50,000 or less, the Contracting Officer must, if requested in writing by the contractor, render a decision within 60 days of the request. For contractor certified claims in excess of \$50,000 the Contracting Officer must decide the claim within 60 days or notify the contractor of the date when the decision will be made.

(f) The Contracting Officer's decision shall be final unless the contractor appeals or files a suit as provided in the Act.

(g) Interest on the amount found due on a contractor claim shall be paid from the date the contracting officer receives the claim, or from the date payment otherwise would be due, if such date is later, until the date of payment.

(h) The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal or action arising under the contract, and comply with any decision of the Contracting Officer.

I-3. INSURANCE-LIABILITY TO THIRD PERSONS (1966 DEC) DAR 7-203.22

(a) The Contractor shall procure and thereafter maintain workmen's compensation, employer's liability, comprehensive general liability (bodily injury) and comprehensive automobile liability (bodily injury and property damage) insurance, with respect to performance under this contract, and such other insurance as the Contracting Officer may from time to time require with respect to performance under this contract; provided, that the Contractor may with the approval of the Contracting Officer maintain a self-insurance program, and provided further, that with respect to workmen's compensation the Contractor is qualified pursuant to statutory authority. All insurance required pursuant to the provisions of this paragraph shall be in such form, in such amounts, and for such periods of time, as the Contracting Officer may from time to time require or approve, and with insurers approved by the Contracting Officer.

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SECTION I - CONTINUED

(b) The Contractor agrees, to extent and in the manner required by the Contracting Officer, to submit for the approval of the Contracting Officer any other insurance maintained by the Contractor in connection with the performance of this contract and for which the Contractor seeks reimbursement hereunder.

(c) The Contractor shall be reimbursed: (i) for the portion allocable to this contract of the reasonable cost of insurance as required or approved pursuant to the provisions of this clause, and (ii) without regard to and as an exception to the "Limitation of Cost" or the "Limitation of Funds" clause of this contract, for liabilities to third persons for loss of or damage to property (other than property (A) owned, occupied or used by the Contractor or rented to the Contractor, or (B) in the care, custody, or control of the Contractor), or for death or bodily injury, not compensated by insurance or otherwise, arising out of the performance of this contract, whether or not caused by the negligence of the Contractor, his agents, servants or employees, provided such liabilities are represented by final judgments or settlements approved in writing by the Government, and expenses incidental to such liabilities, except liabilities (I) for which the Contractor is otherwise responsible under the express terms of the clause or clauses, if any, specified in Schedule, or (II) with respect to which the Contractor has failed to insure as required or maintain insurance as approved by the Contracting Officer or (III) which results from willful misconduct or lack of good faith on the part of any of the Contractor's directors or officers, or on the part of any of his managers, superintendents, or other equivalent representatives, who has supervision or direction of (1) all or substantially all of the Contractor's business, or (2) all or substantially all of the Contractor's operations at any one plant or separate location in which this contract is being performed, or (3) a separate and complete major industrial operation in connection with the performance of this contract. The foregoing shall not restrict the right of the Contractor to be reimbursed for the cost of insurance maintained by the Contractor in connection with the performance of this contract, other than insurance required to be submitted for approval or required to be procured and maintained pursuant to the provisions of this clause, provided such cost would constitute Allowable Cost under the clause of this contract entitled "Allowable Cost, Fixed Fee and Payment".

(d) The Contractor shall give the Government or its representatives immediate notice of any suit or action filed, or prompt notice of any claim made, against the Contractor arising out of the performance of this contract, the cost and expense of which may be reimbursable to the Contractor under the provisions of this contract and the risk of which is then uninsured or in which the amount claimed exceeds the amount of coverage. The Contractor shall furnish immediately to the Government copies of all pertinent papers received by the Contractor. If the amount of the liability claimed exceeds the amount of coverage, the Contractor shall authorize representatives of the Government to collaborate with counsel for the insurance carrier, if any, in settling or defending such claim. If the liability is not insured or covered by bond, the Contractor shall, if required by the Government, authorize representatives

SECTION I - CONTINUED

Edition 4-3

of the Government to settle or defend any such claim and to represent the Contractor in or take charge of any litigation in connection therewith; provided, however, that the Contractor may, at his own expense, be associated with the representatives of the Government in the settlement or defense of any such claim or litigation.

I-4. PAYMENT FOR OVERTIME PREMIUMS (1967 JUN) DAR 7-203.27

(a) Allowable cost shall not include any amount on account of overtime premiums except when (i) specified in (d) below or (ii) paid work-

(A) necessary to cope with emergencies such as those resulting from accidents, natural disasters, breakdowns of production equipment, or occasional production bottlenecks of a sporadic nature;

(B) by indirect labor employees such as those performing duties in connection with administration, protection, transportation, maintenance, standby plant protection, operation of utilities, or accounting;

(C) in the performance of tests, industrial processes, laboratory procedures, loading or unloading of transportation media, and operations in flight or afloat, which are continuous in nature and cannot reasonably be interrupted or otherwise completed; or

(D) which will result in lower overall cost to the Government.

(b) The cost of overtime premiums otherwise allowable under (a) above shall be allowed only to the extent the amount thereof is reasonable and properly allocable to the work under this contract.

(c) Any request for overtime, in addition to any amount specified in (d) below, will be for all overtime which can be estimated with reasonable certainty shall be used for the remainder of the contract, and shall contain the following:

(i) identification of the work unit, such as the department or section in which the requested overtime will be used, together with present workload, manning and other data of the affected unit, sufficient to permit an evaluation by the Contracting Officer of the necessity for the overtime;

(ii) the effect that denial of the request will have on the delivery or performance schedule of the contract;

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SECTION I - CONTINUED

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(iii) reasons why the required work cannot be performed on the basis of utilizing multishift operations or by the employment of additional personnel; and

(iv) the extent to which approval of overtime would affect the performance or payments in connection with any other Government contracts, together with any identification of such affected contracts.

(d) The Contractor is authorized to perform overtime, in addition to that performed under (a)(ii), to the extent that the overtime premium does not exceed *ZERO*

(End of clause)

*Insert the amount, in dollars, agreed to during negotiations as representing the overtime premiums applicable to overtime not reimbursable under the exceptions contained in (a)(ii) of the clause. If it was agreed that the contract could be performed without the use of additional overtime, insert "Zero".

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SECTION J - LIST OF DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTS

J-1. ATTACHMENTS

#1 - DD FORM 254 - SECURITY REQUIREMENTS CHECK LIST

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SECTION K - REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENTS
BY OFFERORS OR QUOTERS

The Offeror, Bidder, Proposer, or Quoter (hereafter called the Offeror) represents and certifies as part of his offer, bid, proposal, or quotation (hereinafter called his offer) that: (Check, "X", or complete all applicable boxes or blocks).

K-1. CERTIFICATION OF RESPONSIBILITY

The Offeror hereby certifies per DAR 1-905.3(ii) that he () does, () does not, meet minimum standards of responsibility under DAR 1-903; i.e. that he has: (i) adequate financial resources, (ii) ability to comply with the performance schedule, (iii) a satisfactory record of performance, (iv) a satisfactory record of integrity, (v) is other wise qualified and eligible to receive an award under applicable laws and regulations, and (vi) has the necessary organization, experience, operational control, technical skills, equipment and facilities or existing commitments and arrangements to obtain them.

K-2. CONTINGENT FEE (1974 APR) DAR 7-2002.1

The Offeror/Quoter represents and certifies as part of his proposal/quotations that: (Check all applicable boxes or blocks).

(a) He () has, () has not, employed or retained any company or person (other than a full-time, bona fide employee working solely for the offeror/quoter) to solicit or secure this contract, and (b) he () has, () has not, paid or agreed to pay any company or person (other than a full-time bona fide employee working solely for the offeror/quoter) any fee, commission, percentage, or brokerage fee contingent upon or resulting from the award of this contract; and agrees to furnish information relating to (a) and (b) above, as requested by the Contracting Officer. (For interpretation of the representation, including the term "bona fide employee", see Code of Federal Regulations, Title 41, Subpart 1-1.5).

If the offeror/quoter, by checking the appropriate box provided therefor, has represented that he has employed or retained a company or person (other than a full-time bona fide employee working solely for the offeror/quoter) to solicit or secure this contract, or that he has paid or agreed to pay any fee, commission, percentage, or brokerage fee to any company or person contingent he shall furnish, in duplicate, a complete Standard Form 119, Contractor's Statement of Contingent or Other Fees. If offeror/quoter has previously furnished a completed Standard Form 119 to the office issuing this solicitation, he may accompany his proposal/quotation with a signed statement (a) indicating when such completed form was previously furnished, (b) identifying by number the previous solicitation or contract, if any, in connection with which such form was submitted, and (c) representing that the statement in such form is applicable to this proposal/quotation.

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SECTION K - CONTINUEDK-3. TYPE OF BUSINESS ORGANIZATION (UNDATED) DAR 3-501(b)(3) Part IV
SECTION K (iii)(A)

The Offeror/Quoter represents and certifies as part of his proposal/quotation that: (Check all applicable boxes or blocks).

He operates as () an individual, () a partnership, (X) a nonprofit organization, (X) a corporation, incorporated under the laws of the State of California.

K-4. CONTRACT NEGOTIATION

Designate below the person(s) authorized to conduct negotiations.

NAME J. O. Dolen TITLE Sr. Contract Administrator

TELEPHONE NUMBER: AREA CODE 415 NUMBER 859- EXT 5645

K-5. CONTRACT ADMINISTRATION

Designate below the person(s) whom the government may contact for prompt action on matters pertaining to administration of the contract.

NAME J. O. Dolen TITLE Sr. Contract Administrator

TELEPHONE NUMBER: AREA CODE 415 NUMBER 859-5645 EXT

K-6. REMITTANCE ADDRESS

Offeror shall indicate in the space provided below the address to which payment should be mailed if different from the Offeror's address:

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P. O. Box 99163

Marina Del Rey, CA 90299

K-7. CERTIFICATION OF NONSEGREGATED FACILITIES (1970 AUG) DAR 7-2003.14(b)(1)(A)

(Applicable to contracts, subcontracts, and to agreements with applicants who are themselves performing federally assisted construction contracts, exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause). By the submission of this bid, the bidder, offeror, applicant, or subcontractor

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SECTION K - CONTINUED

certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. He certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The bidder, offeror, applicant, or subcontractor agrees that a breach of this certification is a violation of the Equal Opportunity clause in this contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms, and wash rooms, restaurants and other eating areas, time clocks, locker rooms, and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom or otherwise. He further agrees that (except where he has obtained identical certifications from proposed subcontractors for specific time periods) he will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of Equal Opportunity clause; that he will retain such certifications in his files; and that he will forward the following notices to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES. A Certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

K-8. PREVIOUS CONTRACTS AND COMPLIANCE REPORTS (1973 APR) DAR 7-2003.14(b)(1)(B)

The offeror represents that he () has, () has not, participated in a previous contract or subcontract subject either to the Equal Opportunity clause herein or the clause originally contained in Section 301 of Executive Order No. 10925, or the clause contained in Section 201 of Executive Order No. 11114; that he () has, () has not, filed all required compliance reports; and that representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained prior to subcontract awards. (The above representation need not be submitted in connection with contracts or subcontracts which are exempt from the clause).

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SECTION K - CONTINUED

K-9. AFFIRMATIVE ACTION COMPLIANCE (1979 SEP) DAR 7-2003.14(b)(2)

The bidder (or offeror) represents that (1) he (x) has developed and has on file, () has not developed and does not have on file, at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2) or (2) he () has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

K-10. PLACE OF PERFORMANCE

Offeror will state below the intended place(s) of performance, including the street address.

(a) Offeror-owned and operated facilities (including city, county, state and country).

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333 Ravenswood Avneue, Menlo Park, California, USA (San Mateo County)

(b) Facilities owned and operated by other than offeror:

(Name of owner-operator) _____ N/A

(Complete address) _____

K-11. TRANSPORTATION

The offeror hereby certifies that proposed prices include all transportation charges as required by the clause entitled "F.O.B. Destination", DAR 7-104.71, in Section K.

K-12. DISCLOSURE STATEMENT-COST ACCOUNTING PRACTICES AND CERTIFICATION (1978 MAR) DAR 7-2003.67(a)

Any contract in excess of \$100,000 resulting from this solicitation except (i) when the price negotiated is based on: (A) established catalog or market prices of commercial items sold in substantial quantities to the general public, or (B) prices set by law or regulation; (ii) contracts awarded to small business concerns (as defined in DAR 1-701.1); or (iii) contracts which are otherwise exempt

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SECTION K - CONTINUED

(see 4 CFR 331.30(b)) shall be subject to the requirements of the Cost Accounting Standards Board. Any offeror submitting a proposal, which, if accepted, will result in a contract subject to the requirements of the Cost Accounting Standards Board, must, as a condition of contracting, submit a Disclosure Statement as required by regulations of the Board. The Disclosure Statement must be submitted as a part of the offeror's proposal under this solicitation (see (I) below) unless (i) the offeror, together with all divisions, subsidiaries, and affiliates under common control, did not receive net awards exceeding the monetary exemption for disclosure as established by the Cost Accounting Standards Board (see (II) below); (ii) the offeror exceeded the monetary exemption in the cost accounting period immediately preceding the cost accounting period in which this proposal was submitted but, in accordance with the regulations of the Cost Accounting Standards Board, is not yet required to a Disclosure Statement (see (III) below); (iii) the offeror has already submitted a Disclosure Statement disclosing the practices used in connection with the pricing of this proposal (see (IV) below); or (iv) post-award submission has been authorized by the Contracting Officer. See 4 CFR 351.70 for submission of copy of Disclosure Statement to the Cost Accounting Standards Board.

CAUTION: A practice disclosed in a Disclosure Statement shall not be deemed to be, by virtue of such disclosure, a proper, approved, or agreed-to practice for pricing proposals or accumulating and reporting contract performance cost data.

Check the appropriate box below:

() I. CERTIFICATE OF CONCURRENT SUBMISSION OF DISCLOSURE STATEMENT(S)

The offeror hereby certifies that he has submitted, as a part of his proposal under this solicitation, copies of the Disclosure Statement(s) as follows: (i) original and one copy to the cognizant Administrative Contracting Officer (ACO) (see DoD Directory of Contract Administration Components (DoD 4105.59H)); and (ii) one copy to the cognizant contract auditor.

Date of Disclosure Statement(s):

Name(s) and Address(es) of Cognizant

ACO(s) where filed:

The offeror further certifies that practices used in estimating costs in pricing this proposal are consistent with the cost accounting practices disclosed in the Disclosure Statement(s).

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SECTION K - CONTINUED

() II. CERTIFICATE OF MONETARY EXEMPTION

The offeror hereby certifies that he, together with all divisions, subsidiaries, and affiliates under common control, did not receive net awards of negotiated national defense prime contracts and subcontracts subject to Cost Accounting Standards totaling more than \$10 million in his cost accounting period immediately preceding the period in which this proposal was submitted. The offeror further certifies that if his status changes prior to an award resulting from this proposal he will advise the contracting officer immediately.

CAUTION: Offerors who submitted a Disclosure Statement under the filing requirements previously established by the Cost Accounting Standards Board may claim this exemption only if the dollar volume of CAS-covered national defense prime contract and subcontract awards in their preceding cost accounting period did not exceed the \$10 million threshold and the amount of this award will be less than \$10 million. Such offerors will continue to be responsible for maintaining the Disclosure Statement and following the disclosed practices on CAS-covered prime contracts and subcontracts awarded during the period in which a Disclosure Statement was required.

() III. CERTIFICATE OF INTERIM EXEMPTION

The offeror hereby certifies that (i) he first exceeded the monetary exemption for disclosure, as defined in (II) above, in his cost accounting period immediately preceding the cost accounting period in which this proposal was submitted, and (ii) in accordance with the regulations of the Cost Accounting Standards Board (4 CFR 351.40(f)), he is not yet required to submit a Disclosure Statement. The offeror further certifies that if an award resulting from this proposal has not been made within 90 days after the end of that period he will immediately submit a revised certificate to the Contracting Officer, in the form specified under (I) above or (IV) below, as appropriate, to verify his submission of a completed Disclosure Statement.

CAUTION: Offerors may not claim this exemption if they are currently required to disclose because they were awarded a CAS-covered national defense prime contract or subcontract of \$10 million or more in the current cost accounting period. Further, the exemption applies only in connection with proposals submitted prior to expiration of the 90-day period following the cost accounting period in which the monetary exemption was exceeded.

IV. CERTIFICATE OF PREVIOUSLY SUBMITTED DISCLOSURE STATEMENT(S)

The offeror hereby certifies that the Disclosure Statement(s) were filed as follows:

Date of Disclosure Statement(s): January 15, 1979
Name(s) and Address(es) of Cognizant Mrs. Vivian I, Lee, ACO
 DCASMA-San Francisco
ACO(s) where filed: 1250 Bayhill Drive, San Bruno, CA 94066

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SECTION K - CONTINUED

The offeror further certifies that practices used in estimating cost in pricing this proposal are consistent with the cost accounting practices disclosed in the Disclosure Statement(s).

K-13. CLEAN AIR AND WATER CERTIFICATION (1977 JUN) DAR 7-2003.71

Applicable if the bid or offer exceeds \$100,000, or the Contracting Officer has determined that orders under an indefinite quantity contract in any year will exceed \$100,000, or a facility to be used has been the subject of a conviction under the Clean Air Act (42 U.S.C. 1857c-8(c)(1)) or the Federal Water Pollution Control Act (33 U.S.C. 1319(c) and is listed by EPA, or is not otherwise exempt.

The bidder or offeror certifies as follows:

(i) any facility to be utilized in the performance of this proposed contract is-(), is not-(X), listed on the Environmental Protection Agency List of Violating Facilities;

(ii) he will promptly notify the Contracting Officer, prior to award, of the receipt of any communication from the Director, Office of Federal Activities, U.S. Environmental Protection Agency, indicating that any facility which he proposes to use for the performance of the contract is under consideration to be listed on the EPA List of Violating Facilities; and

(iii) he will include substantially this solicitation certification, including this paragraph (iii), in every nonexempt subcontract.

K-14. INSURANCE

By submission of his offer the offeror certifies that, except as noted below, he will have the following minimum insurance coverage on award date should negotiations result in a contract award within 90 days of above submission.

<u>TYPE OF INSURANCE</u>	<u>MINIMUM AMOUNT</u>
(a) Workmen's Compensation and all occupational disease	As required by State Law
(b) Employer's Liability including all occupational disease when not so covered in Workmen's Compensation above	\$100,000 per accident
(c) General Liability (Comprehensive) Bodily Injury per occurrence	\$300,000

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SECTION K - CONTINUED

(d) Automobile Liability (Comprehensive)	
Bodily Injury per person	\$100,000
Bodily Injury per occurrence	\$300,000
Property Damage per accident	\$ 10,000

EXCEPTIONS: (If none, state "NONE")

NONE

K-15. SUBCONTRACTING

Offeror represents that the estimated percentage of subcontracting contemplated for this acquisition is 11% percent.

K-16. TECHNICAL QUALIFICATIONS

By submission of this offer, the offeror is certifying that he has sufficient trained personnel to perform the study required. In addition to the minimum standards for responsible contractors, the following additional standard will apply: to the extent that a prospective contractor proposes to perform the contract by subcontracting, acceptable evidence of his "ability to obtain" experience and technical skills shall be a commitment or explicit arrangement which must be in existence prior to being awarded a contract under this solicitation.

K-17. PERSONNEL SECURITY CLEARANCE

All contractor's employees engaged in the performance of work pursuant to this contract must have a current security clearance (Military) authorizing them access to classified information up to and including TOP SECRET. The contractor shall furnish to the Contracting Officer the names, addresses, records of experience and such other information on each employee as may be required to verify said clearance. Employees of the contractor shall not be assigned to classified work pursuant to this contract unless and until the contractor has been granted necessary security clearance. If the contractor is notified during the life of this contract by any Government Official having security cognizance that an employee's security clearance has been revoked or suspended, the contractor shall immediately so notify the Contracting Officer. The contractor's loss of facility clearance up to and including TOP SECRET shall be cause for termination of this contract.

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