

STATE OF CALIFORNIA
STANDARD AGREEMENT
 STD 213 (Rev 06/03)

Exhibit 2

| | |
|---|-----------------------------------|
| NOS AGREEMENT CODE MOA-2008-031/7648 | AGREEMENT NUMBER 07-083 |
| REGISTRATION NUMBER | |

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

State Coastal Conservancy

CONTRACTOR'S NAME

U. S. Department of Commerce, National Oceanic and Atmospheric Administration, National Ocean Service

2. The term of this Agreement is: Per Exhibit A through January 30, 2013
 Section VII.A.

3. The maximum amount of this Agreement is: \$20,000,000

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Scope of Work 9 pages

Exhibit B - Terms applicable to NOS contractors 61 pages

Exhibit C – General Terms and Conditions 4 pages

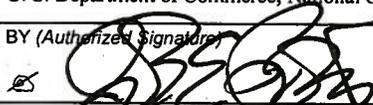
Check mark one item below as Exhibit D:

- Exhibit - D Special Terms and Conditions (Attached hereto as part of this agreement) XX pages
- Exhibit - D* Special Terms and Conditions

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)
 U. S. Department of Commerce, National Oceanic and Atmospheric Administration, National Ocean Service

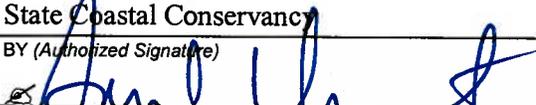
BY (Authorized Signature)  DATE SIGNED (Do not type) **4/24/08**

PRINTED NAME AND TITLE OF PERSON SIGNING
 John H. Dunnigan, Assistant Administrator

ADDRESS
 1305 East West Highway, SSMC4
 Silver Spring, MD 20910

STATE OF CALIFORNIA

AGENCY NAME
 State Coastal Conservancy

BY (Authorized Signature)  DATE SIGNED (Do not type) **5/9/08**

PRINTED NAME AND TITLE OF PERSON SIGNING
 Samuel Schuchat, Executive Officer

ADDRESS

California Department of General Services Use Only

Exempt per:

EXHIBIT A

Scope of Work

This agreement is a reimbursable agreement ("Agreement") pursuant to Title 33 U.S.C. § 883e through which the California State Coastal Conservancy ("SCC") is purchasing geospatial services and data from the U. S. Department of Commerce, National Oceanic and Atmospheric Administration, National Ocean Service ("NOS").

I. PARTIES AND PURPOSE

- A. This Agreement is between the National Oceanic and Atmospheric Administration's (NOAA) National Ocean Service (NOS), and the California State Coastal Conservancy (SCC), a public entity created by California state law (Division 21 of the California Public Resources Code, sections 31000 *et seq.*).
- B. NOS is composed of ten program and staff offices: Services under this Agreement will be provided on behalf of NOS primarily through two of those offices: the Office of Coast Survey (OCS) and the Coastal Services Center (CSC).
- C. Under this Agreement, in connection with collaborative and cooperative projects in which NOAA and SCC have a shared interest, NOS will provide geospatial services and data to SCC using contractors selected through one of their geospatial services contracts. The two primary contract vehicles that will be used under this agreement are CSC's Coastal Geospatial Services Contract (CGSC) and OCS's Hydrographic Services Contract (HSC). Both of these contract vehicles have been through the competitive process required by the Federal Acquisition Regulations (FAR) Part 36.6, Architect-Engineer Contracts (which can be viewed at <http://www.arnet.gov/far/current/html/FARTOCP36.html>) and only the highest qualified vendors have been awarded contracts. Data and services that are available under this agreement through one of NOS's geospatial services contracts are listed in Attachment 1 to this Exhibit A.

II. BACKGROUND

- A. Guiding the conservation and management of coastal resources is a primary function of NOAA. This is accomplished through a variety of mechanisms, including collaborations with state and local coastal resource management organizations and other federal agencies charged with managing resources within the nation's coastal states and territories.
- B. NOS's mission is to observe, understand, and manage our nation's coastal and marine resources. NOS measures and predicts coastal and ocean phenomena, protects large areas of the oceans, works to ensure safe navigation, and provides tools and information to protect and restore coastal and marine resources.

- C. As identified in its Strategic Plan (2007), SCC's mission is to act with others to preserve, protect and restore the resources of the California coast, ocean and the San Francisco Bay Area. In order to achieve these objectives, the Strategic Plan emphasizes that SCC will work cooperatively with others, including other public agencies, to solve problems through the acquisition and application of scientific knowledge.
- D. The contract vehicles that will be used under this agreement are FAR Part 36 contracts and have been previously competed. The selection process for individual task orders will follow the requirements of FAR Part 36. The highest qualified vendor will receive an RFP. If a satisfactory proposal cannot be negotiated with that vendor then an RFP will be sent to the second highest qualified vendor. This process will be continued until a satisfactory proposal can be obtained.

III. AUTHORITIES

- A. The legal authority for NOS to enter into this Agreement is the Coast and Geodetic Survey Act (CGSA), 33 U.S.C. § 883e, which authorizes NOAA through the Secretary of Commerce to enter into cooperative agreements, or any other agreements, with, and to receive and expend funds made available by any State or subdivision thereof, any Federal agency, or any public or private organization, or individual, for surveys or investigations authorized herein, or for performing related surveying and mapping activities, including special-purpose maps, and for the preparation and publication of the results thereof.
- B. The statutory authority for SCC to enter into this Agreement includes: Division 26.5 of the Public Resources Code, which authorizes SCC, as staff to the California Ocean Protection Council, to administer expenditures of the Council, in furtherance of the California Ocean Protection Act; and Division 21 of the Public Resources Code which authorizes SCC to undertake projects to preserve agricultural land (Chapter 4), to address resource and recreation goals of the San Francisco Bay Area (Chapter 4.5), to restore and enhance coastal areas and resources (Chapters 5 and 6), to improve and protect coastal and marine water quality and habitats (Chapter 5.5); to coordinate and undertake urban waterfront restoration (Chapter 7); and to reserve significant coastal resource areas (Chapter 8) and to coordinate and develop a system of coastal accessways (Chapter 9). The acquisition of geospatial services and data under this Agreement will assist the Conservancy in carrying out projects, in cooperation and collaboration with NOS that serve one more of these authorized objectives. Further, Government Code Section 12425 permits the advance payment of funds to the federal government for costs of a project undertaken by the United States for and in behalf of, or in cooperation with, the State of California.
- C. The programmatic authorities for NOS to enter into this Agreement are:
 - 1. Coast and Geodetic Survey Act, 33 U.S.C. § 883a *et seq.*, which authorizes the Secretary of Commerce to conduct hydrographic and topographic surveys, tide and current observations, geodetic and control surveys, field surveys, for aeronautical charts, geomagnetic, seismological, gravity, and related geophysical measurements to provide charts and other information

for safe marine and air navigation and to provide basic data for engineering and scientific purposes.

2. Coastal Zone Management Act, 16 U.S.C. § 1456c, which authorizes NOAA to conduct technical assistance and management oriented research necessary to support the development and implementation of state coastal program amendments and appropriate to the furtherance of international cooperative efforts and technical assistance in coastal zone management.

IV. RESPONSIBILITIES OF THE PARTIES

A. NOS agrees to:

1. Hold all funds advanced to NOS by SCC under this Agreement (the SCC funds), separately account for the SCC funds and administer and disburse the SCC funds in accordance with the terms of this Agreement.
2. Provide SCC, through contractors retained by NOS ("NOS contractors"), with geospatial services and data in accordance with the purpose, terms, and conditions of this Agreement and with specific requirements set forth in an individual "Annex" (described in Attachment 2 to this Exhibit A) created under this Agreement and in the Statement of Work (SOW) associated with that Annex. NOS services will be provided at no cost to SCC.
3. Provide only NOS contractors that have been selected under one of the competitive processes described in paragraph II.D. of this Agreement, above, and that have been approved by SCC.
4. Require that each NOS contractor enters into a written agreement with NOS that contains provisions substantially as shown in the form attached as Exhibit B to this Agreement.
5. Comply with the General Terms and Conditions set forth in Exhibit C, attached and incorporated.
6. Assist SCC in the development of SOW's and government estimates for the work under that SOW.
7. Provide typical Contracting Officer's Representative (COR) duties, including administrative management oversight, for each Annex and associated SOW generated as a result of this Agreement at no cost to SCC.
8. Provide technical oversight on work performed by contractors and, with SCC, review and approve all products developed.
9. All material, data, information, and written, graphic or other work purchased with SCC funds and produced under this Agreement, will become the property of SCC unless an agreed upon license is approved in advance with the contractor under the Annex and associated SOW.

10. Receive, review, and, as appropriate, approve or disapprove, (after consultation with SCC) any invoice received from a contractor for work under an approved Annex and associated SOW. Upon satisfactory progress in accordance with schedules, budgets, and other provisions of the SOW, promptly disburse SCC funds to the contractor.

B. SCC agrees to:

1. Provide to NOS, in advance, all SCC funds that are identified in a specific SOW as needed to carry out the acquisition of data and/or services under an approved Annex and associated SOW. The funds shall be provided to NOS upon approval by NOS and SCC of an Annex and its associated SOW, including approval of the estimated costs identified in the SOW, and upon receipt of an invoice or letter from NOS requesting that SCC funds be transmitted.
2. Develop draft SOW requests that provide all of the specifications and requirements necessary to provide the requested data and/or services.
3. With NOS assistance, develop government cost estimates for the data and/or services requested under each Annex and its associated SOW.
4. In cooperation with NOS, perform quality assurance on delivered work products and, within a reasonable time following delivery of a work product, notify CSC if the work product is found to be acceptable or below acceptable standards.

V. **TRANSFER OF FUNDS**

- A. SCC may transfer to NOS a maximum sum up to \$20,000,000 during the life of this Agreement, dependent on the availability of funds, with no guaranteed minimum, to be paid in increments according to the work that has been requested by SCC under an Annex and associated SOW. The transfer of these funds is contingent upon:
1. SCC requesting services and/or data from NOS by submitting an Annex and associated SOW to NOS. Until the first Annex and accompanying SOW are executed by both parties, this agreement will remain unfunded.
 2. NOS accepting the Annex and associated SOW.
 3. SCC's availability of funds to purchase the required data and/or services.
 4. NOS's ability to provide the requested data and/or services using one of their previously competed geospatial services contracts.

- B. Each SOW will be processed as an Annex to this Agreement. Each Annex will reference this Agreement and include the information provided in Attachment 2 to this Exhibit A, which is attached and incorporated.
- C. Accounting and Fiscal Data
1. SCC
Employer Identification Number: 94-3164968
DUNS Number: 808322408
 2. CSC
Employer Identification Number: 52-0821608
DUNS Number: 78-4769085
Agency Location Code: 13-14-0001
Treasury Account Symbol: 13x1450

VI. CONTACTS

- A. The Points of Contact (POCs) for coordinating activities under this Agreement are listed below. individual Annex will list the POCs for that particular Annex.
1. NOS
 - a. CSC Technical/Contractual
Dennis Hall
NOAA Coastal Services Center
2234 South Hobson Avenue
Charleston, South Carolina 29405-2413
Phone number: (843) 740-1323
Fax number: (843) 740-1289
E-mail: Dennis.Hall@noaa.gov
 - b. Administrative
Patrick Holland
NOAA Coastal Services Center
2234 South Hobson Avenue
Charleston, South Carolina 29405-2413
Phone number: (843) 740-1181
Fax number: (843) 740-1224
E-mail: Patrick.Holland@noaa.gov
 - c. Financial
John Sukys
NOAA Coastal Services Center
2234 South Hobson Avenue
Charleston, South Carolina 29405-2413
Phone number: (843) 740-1148
Fax number: (843) 740-1224
E-mail: John.Sukys@noaa.gov

2. SCC

- a. Technical/Contractual
Sheila Semans
SCC Project Manager
17351 Franklin Road
Fort Bragg, CA 94537
Phone and fax number: (707) 964-0176
E-mail: ssemans@scc.ca.gov
- b. Contractual
Erlinda Corpuz
1330 Broadway, Suite 1300
Oakland, CA 94612
Phone number: (510) 286-4157
Fax number: (510) 286-1883
Email: ecorpuz@scc.ca.gov
- c. Financial
May-Ling Lin
1330 Broadway, Suite 1300
Oakland, CA 94612
Phone number: (510) 286-4160
Fax number: (510) 286-0470
Email: mayling@scc.ca.gov

- B. The Parties agree that if there is a change regarding the information in this section, the Party making the change will notify the other Party in writing of such change.

VII. DURATION OF AGREEMENT, AMENDMENTS, OR TERMINATION

- A. This Agreement will become effective when signed by all Parties. The Agreement will remain in effect through January 30, 2013
- B. This Agreement may be amended within the scope of this instrument or extended at any time before the expiration through mutual written consent of the Parties.
- C. The Parties will review this Agreement at least once every three years to determine whether it should be revised or terminated.
- D. This Agreement may be terminated by (1) mutual written consent, (2) 30 days advance written notice by either Party, or (3) completion of operation/terms of this Agreement. Any funds not otherwise obligated or disbursed under this Agreement will be returned to SCC upon termination of the Agreement.
- E. No termination cost will be incurred by either Party as a result of the termination of this Agreement.

VIII. RESOLUTION OF DISAGREEMENTS

Should disagreement arise on the interpretation of the provisions of this Agreement, or amendments and/or revisions thereto that cannot be resolved at the operating level, the area(s) of disagreement shall be stated in writing by each Party and presented to the other Party for consideration. If agreement on interpretation is not reached within 30 days, the Parties shall forward the written presentation of the disagreement to respective higher officials for appropriate resolution.

Attachment 1 to Exhibit A

List of Services through NOS Geospatial Contracts

1. Thematic mapping (e.g., land use / land cover, impervious surfaces, tree canopy, landscape characterization, and benthic habitat)
2. Aircraft data acquisition (e.g., light detection and ranging (Lidar), Interferometric synthetic aperture radar (IfSAR), digital multi-spectral and hyper-spectral imaging, including all forms of digital camera technologies, and analog standard frame photography)
3. Commercial and civil satellite imagery acquisition
4. Spectral image processing, analysis, and interpretation including the use of supervised, unsupervised, and classification, and regression tree modeling
5. Aerial photo interpretation
6. High-resolution topographic / bathymetric product generation (e.g., raw data points, digital elevation models (DEMs), digital surface models (DSMs), digital terrain models (DTMs), triangular irregular networks (TINs), contours, hillshades, etc.)
7. Photogrammetric mapping, aerotriangulation, and orthophotography development
8. Geographic information system (GIS) data development
9. Software applications and decision support tools development
10. Survey and control services, including the use of ground-based and airborne Global Positioning Systems (GPS) technology
11. Data analysis, integration, assimilation, and modeling for both land and seabottom characterization
12. Data conversion and scanning (e.g., analog to digital, raster / vector);
13. Data manipulations (e.g., transformations, conversions, generalization, integration and conflation)
14. Generation of Federal Geographic Data Committee (FGDC) compliant metadata for all geospatial data and derived products, including all forms of remotely sensed data
15. Acoustic data acquisition (e.g., single / multi-beam, side-scan sonar technologies), processing, and product development
16. Sediment profile imaging and analysis
17. Services that provide geospatial analyses that incorporate social, economic, and ecological factors

Attachment 2 to Exhibit A

Annex Information

An Annex, in the form of an amendment to this agreement, will be executed when funds are to be transferred between the Parties. Each Annex will reference this Agreement and include the following:

1. Parties and Purpose;
2. Authorities
3. Terms and Conditions; Also attach a detailed Statement of Work (SOW), which clearly describes the supplies or services being requested and delivery schedules;
4. Budget for proposed work.
5. Identification of Conservancy Funds and Transfer of Funds information;
6. Contact information for Project Covered by Annex;
7. Duration of Annex, including procedures for amending or terminating the Annex;
8. Resolution of Disagreements section that is consistent with Section VIII of the Agreement; and
9. Appropriate approval/signature blocks for each Party's respective signatory officials.

EXHIBIT B

Sample Language - NOS Agreement with Contractors

Pages 1 – 3 intentionally removed from this document.

SECTION B -6

 B.1 CONTRACT TYPE (MARCH 2000).....6

 B.2 SCHEDULE OF RATES6

 B.3 MINIMUM AND MAXIMUM CONTRACT AMOUNTS.....7

SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT7

 C.1 1352.211-70 STATEMENT OF WORK/SPECIFICATIONS (MARCH 2000).....7

 C.2 1352.237-72 SECURITY PROCESSING FOR CONTRACTOR/SUBCONTRACTOR PERSONNEL
 WORKING ON A DEPARTMENT OF COMMERCE SITE (March 2000)7

 C.3 1352.239-73 SECURITY REQUIREMENTS FOR INFORMATION TECHNOLOGY RESOURCES (OCT
 2003).....8

 C.4 1352.239-74 SECURITY PROCESSING REQUIREMENTS FOR CONTRACTORS/SUBCONTRACTOR
 PERSONNEL FOR ACCESSING DOC INFORMATION TECHNOLOGY SYSTEMS (OCT 2003).....10

SECTION D - PACKAGING AND MARKING12

 D.1 1352.247-70 PACKING FOR DOMESTIC SHIPMENT (MARCH 2000).....12

 D.2 1352.247-72 MARKING DELIVERABLES (MARCH 2000).....12

SECTION E - INSPECTION AND ACCEPTANCE13

 E.1 52.246-4 INSPECTION OF SERVICES-FIXED-PRICE (AUG 1996).....13

 E.2 52.246-70 INSPECTION AND ACCEPTANCE (MARCH 2000)13

SECTION F - DELIVERIES OR PERFORMANCE14

 F.1 52.242-15 STOP-WORK ORDER (AUG 1989).....14

 F.2 52.247-34 F.O.B. DESTINATION (NOV 1991).....14

 F.3 1352.215-70 PERIOD OF PERFORMANCE (MARCH 2000).....15

SECTION G - CONTRACT ADMINISTRATION DATA16

 G.1 1352.201-70 CONTRACTING OFFICER'S AUTHORITY (FEB 2005).....16

 G.2 1352.201-71 CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR) (MARCH 2000).....16

 G.3 PLACEMENT OF ORDERS16

 G.4 SUBCONTRACTING REPORTS.....17

SECTION H - SPECIAL CONTRACT REQUIREMENTS18

 H.1 52.234-24 WORK OVERSIGHT IN ARCHITECT ENGINEER CONTRACTS (APR 1984)18

 H.2 1352.208-70 PRINTING (MARCH 2000).....18

 H.3 1352.209-73 COMPLIANCE WITH THE LAWS (MARCH 2000)18

 H.4 TASK ORDERS.....18

 H.5 1352.228-70 INSURANCE COVERAGE (MARCH 2000).....19

 H.6 1352.228-72 DEDUCTIBLES UNDER REQUIRED INSURANCE COVERAGE (MARCH 2000).....19

 H.7 1352.231-70 DUPLICATION OF EFFORT (MARCH 2000).....20

 H.8 1352.237-73 KEY PERSONNEL (MARCH 2000).....20

 H.9 1352.252-70 REGULATORY NOTICE (MARCH 2000).....21

 H.10 SECTION 508 OF THE REHABILITATION ACT OF 1973.....21

 H.11 ORGANIZATIONAL CONFLICT OF INTEREST.....21

 H.12 RESTRICTIONS AGAINST DISCLOSURE21

SECTION I - CONTRACT CLAUSES.....23

 I.1 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)23

 I.2 52.203-6 RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT(JUL 1995).....23

 I.3 52.203-12 LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS
 (JUN 2003).....23

 I.4 52.215-2 AUDIT AND RECORDS--NEGOTIATION (JUNE 1999)23

 I.5 52.215-10 PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA (OCT 1997).....23

 I.6 52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST
 OR PRICING DATA--MODIFICATIONS (OCT 1997)23

 I.7 52.222-26 EQUAL OPPORTUNITY (APR 2002)23

 I.8 52.222-35 EQUAL OPPORTUNITY FOR SPECIAL DISABLED VETERANS, VETERANS OF THE
 VIETNAM ERA, AND OTHER ELIGIBLE VETERANS. [DEC 2001].....23

 I.9 52.222-36 AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (JUN 1998)23

 I.10 52.227-11 PATENT RIGHTS--RETENTION BY THE CONTRACTOR (SHORT FORM) (JUN 1997)23

 I.11 52.228-5 INSURANCE-WORK ON A GOVERNMENT INSTALLATION (JAN 1997).....23

 I.12 52.236-23 RESPONSIBILITY OF THE ARCHITECT-ENGINEER CONTRACTOR (APR 1984).....23

 I.13 52.236-24 WORK OVERSIGHT IN ARCHITECT-ENGINEER CONTRACTS (APR 1984).....23

 I.14 52.242-14 SUSPENSION OF WORK (APR 1984).....23

 I.15 52.249-7 TERMINATION (FIXED-PRICE ARCHITECT-ENGINEER) (APR 1984).....23

 I.16 52.202-1 DEFINITIONS (JUL 2004).....23

 I.17 52.203-3 GRATUITIES (APR 1984).....24

 I.18 52.203-5 COVENANT AGAINST CONTINGENT FEES (APR 1984)24

I.19 52.203-7 ANTI-KICKBACK PROCEDURES (JUL 1995).....25

I.20 52.203-8 CANCELLATION, RESCISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY (JAN 1997).....26

I.21 52.203-10 PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY (JAN 1997).....26

I.22 52.204-2 II SECURITY REQUIREMENTS (AUG 1996).....27

I.23 52.204-4 PRINTED OR COPIED DOUBLE-SIDED ON RECYCLED PAPER (AUG 2000).....28

I.24 52.204-7 CENTRAL CONTRACTOR REGISTRATION (OCT 2003).....29

I.25 52.209-6 PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (JAN 2005).....31

I.26 52.215-8 ORDER OF PRECEDENCE--UNIFORM CONTRACT FORMAT (OCT 1997).....31

I.27 52.215-12 SUBCONTRACTOR COST OR PRICING DATA (OCT 1997).....32

I.28 52.215-15 PENSION ADJUSTMENTS AND ASSET REVERSIONS (JAN 2004).....32

I.29 52.215-18 REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS (OCT 1997).....33

I.30 52.215-19 NOTIFICATION OF OWNERSHIP CHANGES (OCT 1997).....33

I.31 ORDERING.....33

I.32 52.216-19 ORDER LIMITATIONS (OCT 1995).....34

I.33 52.216-22 INDEFINITE QUANTITY (OCT 1995).....34

I.34 52.219-8 UTILIZATION OF SMALL BUSINESS CONCERNS (MAY 2004).....34

I.35 52.219-9 II SMALL BUSINESS SUBCONTRACTING PLAN (JAN 2002).....36

I.36 52.219-16 LIQUIDATED DAMAGES--SUBCONTRACTING PLAN (JAN 1999).....41

I.37 52.222-3 CONVICT LABOR (JUNE 2003).....41

I.38 52.222-21 PROHIBITION OF SEGREGATED FACILITIES (FEB 1999).....42

I.39 52.222-37 EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS (DEC 2001).....42

I.40 52.222-39 NOTIFICATION OF EMPLOYEE RIGHTS CONCERNING PAYMENT OF UNION DUES OR FEES (DEC 2004).....43

I.41 52.223-6 DRUG-FREE WORKPLACE (MAY 2001).....45

I.42 52.223-14 TOXIC CHEMICAL RELEASE REPORTING (AUG 2003).....46

I.43 52.225-13 RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (DEC 2003).....48

I.44 52.225-16 SANCTIONED EUROPEAN UNION COUNTRY SERVICES (FEB 2000).....48

I.45 52.227-1 AUTHORIZATION AND CONSENT (JUL 1995).....48

I.46 52.227-17 RIGHTS IN DATA--SPECIAL WORKS (JUN 1987).....49

I.47 52.229-3 FEDERAL, STATE, AND LOCAL TAXES (APRIL 2003).....50

I.48 52.232-10 PAYMENTS UNDER FIXED-PRICE ARCHITECT-ENGINEER CONTRACTS (AUG 1987).....51

I.49 52.232-17 INTEREST (JUNE 1996).....52

I.50 52.232-23 ASSIGNMENT OF CLAIMS (JAN 1986).....52

I.51 52.232-26 PROMPT PAYMENT FOR FIXED-PRICE ARCHITECT-ENGINEER CONTRACTS (OCT 2003).....52

I.52 52.232-33 PAYMENT BY ELECTRONIC FUNDS TRANSFER--CENTRAL CONTRACTOR REGISTRATION (OCT 2003).....56

I.53 52.233-1 DISPUTES (JUL 2002).....57

I.54 52.233-3 PROTEST AFTER AWARD (AUG 1996).....59

I.55 52.233-4 APPLICABLE LAW FOR BREACH OF CONTRACT CLAIM (OCT 2004).....59

I.56 52.237-2 PROTECTION OF GOVERNMENT BUILDINGS, EQUIPMENT, AND VEGETATION (APR 1984).....59

I.57 52.242-13 BANKRUPTCY (JUL 1995).....60

I.58 52.243-1 CHANGES-FIXED-PRICE ALTERNATE III (AUG 1987).....60

I.59 52.244-4 SUBCONTRACTORS AND OUTSIDE ASSOCIATES AND CONSULTANTS (ARCHITECT-ENGINEER SERVICES) (AUG 1998).....60

I.60 52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS (DEC 2004).....61

I.61 52.247-63 PREFERENCE FOR U.S.-FLAG AIR CARRIERS (JUNE 2003).....61

I.62 52.253-1 COMPUTER GENERATED FORMS (JAN 1991).....62

SECTION J - LIST OF ATTACHMENTS.....63

J.1 DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTS.....63

B.1 CONTRACT TYPE

This is an Indefinite Delivery/Indefinite Quantity (IDIQ) contract, to provide the National Oceanic & Atmospheric Administration, a bureau of the U.S. Department of Commerce, Shallow Water Multibeam Sonar and Side Scan Sonar Survey Services as set forth in Section C. The period during which orders for these services can be placed will commence with the effective date of the contract and extend five years thereafter. During the ordering period, the Contracting Officer may periodically identify specific work within the scope of the contract. All work shall be performed in accordance with firm fixed price Task Orders issued in accordance with the contract. The contractor shall not begin performance prior to the issuance of a Task Order. Under no circumstances shall the value of all Task Orders exceed the stated maximum in the contract. The firm fixed price rates set forth in the table in the following section shall be used for pricing orders issued under the contract.

B.2 SCHEDULE OF RATES

The following Firm Fixed Pricing (FFP) rates apply to each of the five contract years and will be shown in a format similar to the one below. Each FFP item shall be numbered, described, and the unit of issue designated.

SEE ATTACHMENT 03 FOR RATES.

B.3 MINIMUM AND MAXIMUM CONTRACT AMOUNTS

During the period specified in the ORDERING clause (FAR 52.216-18), the Government shall place orders under the resulting contract totaling a minimum of \$25,000.00. The total of all orders is not anticipated to exceed \$50,000,000.00, the ceiling price of this contract.

The minimum order amount shall be subject to the following adjustments:

1. In the event that this contract is terminated, the following adjustment shall apply:
 - i. If terminated for default, the minimum order amount shall be reduced to "\$0.00."

~~SECTION C~~
DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

C.1 1352.211-70 STATEMENT OF WORK/SPECIFICATIONS (MARCH 2000)

The Contractor shall furnish all the necessary personnel, material, equipment, services and facilities, except as otherwise specified to perform Hydrographic Surveys as set forth in task orders to be issued under this contract. Any hydrographic survey shall be performed in accordance with the specification entitled SHALLOW WATER MULTIBEAM SONAR AND SIDE SCAN SONAR SURVEY SERVICES dated February 11, 2005, and included as an attachment to this contract. Each Task Order issued will include a Statement of Work that will set forth information necessary to perform specific Hydrographic Surveys.

C.2 1352.237-72 SECURITY PROCESSING FOR CONTRACTOR/SUBCONTRACTOR PERSONNEL WORKING ON A DEPARTMENT OF COMMERCE SITE (MARCH 2000)

a. Security Processing Requirements

(1) U.S. Citizens Working on DoC Site

All contractor (and subcontractor) personnel proposed to work on the premises of a Department of Commerce site for 180 days or more must undergo security processing by the Department's Office of Security (OSY) to be eligible to work on the site.

(2) Foreign Nationals (Non-U.S. Citizens)

Regardless of anticipated length of on-site work, all foreign nationals to be employed under this contract must:

(a) Have legal visa status with the Immigration and Naturalization Service (INS);

(b) Have advance approval from the servicing Security Officer in consultation with the Office of Security.

b. Submittal Requirements - U.S. Citizens

(1) Duration of Onsite Work: 180 to 364 days (between 6 months and 1 year)
10 For individuals who will be performing work on a DoC site between 180 and 364 days, the Department will perform a Special Agreement Check (SAC). The scope of the SAC will include checks of the Security/Suitability Investigations Index (SII), other agency files (INVA), Defense Clearance Investigations Index (DCII), FBI Fingerprint (FBIF), and the FBI Information Management Division (FBIN). The Contractor must complete and submit the following form to the Contracting Officer's Technical Representative (COTR): A Form FD-258 (Fingerprint Chart). Copies of this form can be obtained from the COTR. Upon receipt of the FD-258, the COTR will complete form OFI 86C (Special Agreement Check) and will forward both to the operating unit Security Officer. The security officer will advise the COTR whether work can commence prior to the suitability determination, based on the specifics of the situation. The COTR will notify the Contractor of an approved contract start date as well as favorable findings of the suitability determination.

(2) Duration of Onsite Work: 365 days (1 year) or more

Individuals proposed to perform work on a DoC site for 1 year (365 days) or more are required to have a NACI check (National Agency Check Plus Written Inquiries). The Contractor must complete and submit the following forms to the Contracting Officer's Technical Representative (COTR):

A Standard Form 85P (SF-85P, Questionnaire for Public Trust Positions), and A FD-258 (Fingerprint Chart).

Copies of these forms can be obtained from the COTR. Upon receipt of the required forms, the COTR will forward the forms to the operating unit Security Officer. The security officer will advise the COTR whether work can commence prior to the suitability determination, based on the specifics of the situation. The COTR will notify the Contractor of an approved contract start date as well as

~~SECTION C~~
DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

- favorable findings of the suitability determination.
- c. Submittal Requirements - Foreign Nationals
All foreign nationals proposed to work on a DoC site will be subject to a Special Agreement Check (SAC) to determine whether the foreign national has official legal status in the United States.
11 The Contractor must submit the following forms to the COTR for all foreign nationals proposed to work on a DoC site:
A FD-258 (Fingerprint Chart), A Form OFI 86C (Special Agreement Check) with signature authorization for release of information. Copies of these forms can be obtained from the COTR. Upon receipt of the required forms, the COTR will forward the forms to the operating unit Security Officer. The COTR will notify the Contractor of favorable findings and will notify the Contractor regarding an approved date to commence work under the contract.
- d. Suitability Updates
Any individual (including foreign nationals) processed on the form OFI-86C (Special Agreement Check) who stays on the contract over 364 days will be required to have a NACI Complete suitability check to stay on the job site.
- e. Notification of Disqualifying Information
If OSY receives disqualifying information on a contract employee, the Contractor, upon notification of such by the Contracting Officer, must immediately remove the employee from duties which require access to DOC facilities. Individuals may be barred from working on the premises of a facility for any of the following:
- (1). Conviction of a felony or a crime of violence or of a misdemeanor involving moral turpitude.
 - (2). Falsification of information entered on security screening forms or on other documents submitted to the Department.
 - (3). Improper conduct once performing on the contract, including criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct or other conduct prejudicial to the Government regardless of whether the conduct directly related to the contract.
 - (4). Any behavior judged to pose a potential threat to departmental personnel or property. Failure to comply with the requirements may result in termination of this contract. Compliance with these requirements shall not be construed as providing a contract employee clearance to have access to classified information.

C.3 1352.239-73 SECURITY REQUIREMENTS FOR INFORMATION TECHNOLOGY RESOURCES (OCT 2003)

a. This clause is applicable to all contracts that include information technology resources or services in which the Contractor must have physical or electronic access to DOC's sensitive or classified information, which is contained in systems that directly support the mission of the Agency. For purposes of this clause the term "Sensitive" is defined by the guidance set forth in:

- (1) The DOC IT Security Program Policy and Minimum Implementation Standards (<http://www.osc.doc.gov/cio/itmweb/itmweb1.html>);
- (2) The Office of Management and Budget (OMB) Circular A-130, Appendix III, Security of Federal Automated Information Resources, (<http://csrc.nist.gov/secplcy/a130app3.txt>) which states that there is a "presumption that all [general support systems] contain some sensitive information."; and
- (3) The Computer Security Act of 1987 (P.L. 100-235) (<http://www.epic.org/crypto/csa/csa.html>), including the following definition of the term sensitive information "... any information, the loss, misuse, or unauthorized access, to or modification of which could adversely affect the national interest or the, conduct of federal

~~SECTION C~~
DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

programs, or the privacy to which individuals are entitled under section 552 a of title 5, Unites States Code (The Privacy Act), but which has not been specifically authorized under criteria established by an Executive Order or an Act of Congress to be kept secret in the interest of national defense or foreign policy."

For purposes of this clause, the term "Classified" is defined by the guidance set forth in:

- (1) The DOC IT Security Program Policy and Minimum implementation Standards, Section 3.3.1.4 (<http://www.osec.doc.gov/cio/itmhweb/itmhweb1.html>).
- (2) The DOC Security Manual, Chapter 8 (<http://www.osec.doc.gov/osy/>).
- (3) Executive Order 12958, as amended, Classified National Security Information. Classified or national security information is information that has been specifically authorized to be protected from unauthorized disclosure in the interest of national defense or foreign policy under an Executive Order or Act of Congress.

Information technology resources include, but are not limited to, hardware, application software, system software, and information (data). Information technology services include, but are not limited to, the management, operation (including input, processing, transmission, and output), maintenance, programming, and system administration of computer systems, networks, and telecommunications systems. The Contractor shall be responsible for implementing sufficient Information Technology security, to reasonably prevent the compromise of DOC IT resources for all of the contractor's systems that are interconnected with a DOC network or DOC systems that are operated by the Contractor.

b. All Contractor personnel performing under this contract and Contractor equipment used to process or store DOC data, or to connect to DOC networks, must comply with the requirements contained in the DOC Information Technology Management Handbook (<http://www.osec.doc.gov/cio/itmhweb/itmhweb1.html>).

c. For all Contractor-owned systems for which performance of the contract requires interconnection with a DOC network or that DOC data be stored or processed on them, the Contractor Shall:

- (1) Provide, implement, and maintain an IT Security Plan. This plan shall describe the processes and procedures that will be followed to ensure appropriate security of IT resources that are developed, processed, or used under this contract. The plan shall describe those parts of this contract to which this clause applies. The Contractor's IT Security Plan shall comply with federal laws that include, but are not limited to, the Computer Security Act of 1987 (40 U.S.C. 1441 et seq.) and the Federal Information Security Management Act of 2002, Pub. L. No.107-347, 116 Stat. 2899, 2946-2961 (2002); Pub. L. No. 107-296, 116 Stat. 2135, 2259-2273 (2002). 38 WEEKLY COMP. PRES. DOC. 51, 2174 (Dec. 23, 2002) (providing statement by President George W. Bush regarding Federal Information Security Management Act of 2002). The plan shall meet IT security requirements in accordance with Federal and DOC policies and procedures that include, but are not limited to:
 - (a) OMB Circular A-130, Management of Federal Information Resources, Appendix III, Security of Federal Automated Information Resources (<http://csrc.nist.gov/secplcy/a130app3.txt>);
 - (b) National Institute of Standards and Technology Special Publication 800-18, Guide for Developing Security Plans for Information Technology Systems (<http://csrc.nist.gov/publications/nistpubs/800-18/Planguide.PDF>);and

SECTION C
DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

- (c) DOC Procedures and Guidelines in the Information Technology Management Handbook
(<http://www.osec.doc.gov/cio/itmweb/itmweb1.html>).
- (d) National Industrial Security Program Operating Manual (NISPOM) for classified systems (<http://www.dss.mil/isec/nispom.htm>).
- (2) Within 14 days after contract award, the contractor shall submit for DOC approval a System Certification and Accreditation package, including the IT Security Plan and a system certification test plan, as outlined in DOC IT Security Program Policy, Sections 3.4 and 3.5 (<http://home.osec.doc.gov/DOC-IT-Security-Program-Policy.htm>). The Certification and Accreditation Package must be consistent with and provide further detail for the security approach contained in the offeror's proposal or sealed bid that resulted in the award of this contract and in compliance with the requirements stated in this clause. The Certification and Accreditation Package, as approved by the Contracting Officer, in consultation with the DOC IT Security Manager, or Agency/Bureau IT Security Manager/Officer, shall be incorporated as part of the contract. DOC will use the incorporated IT Security Plan as the basis for certification and accreditation of the contractor system that will process DOC data or connect to DOC networks. Failure to submit and receive approval of the Certification and Accreditation Package, as outlined in DOC IT Security Program Policy, Sections 3.4 and 3.5 (<http://home.osec.doc.gov/DOC-IT-Security-Program-Policy.htm>) may result in termination of the contract.
- d. The Contractor shall incorporate this clause in all subcontracts that meet the conditions in paragraph (a) of this clause.

C.4 1352.239-74 SECURITY PROCESSING REQUIREMENTS FOR CONTRACTORS/SUBCONTRACTOR PERSONNEL FOR ACCESSING DOC INFORMATION TECHNOLOGY SYSTEMS (OCT 2003)

- a. Contractor personnel requiring any access to systems operated by the Contractor for DOC or interconnected to a DOC network to perform contract services shall be screened at an appropriate level in accordance with Commerce Acquisition Manual 1337.70, Security Processing Requirements for Service Contracts. DOC shall provide screening using standard personnel screening forms, which the Contractor shall submit to the DOC Contracting Officer's Technical Representative (COTR) based on the following guidance:
- (1) Contract personnel performing work designated Contract High Risk and personnel performing work designated Contract Moderate Risk in the information technology (IT) occupations and those with "global access" to an automated information system require a favorable pre-employment check before the start of work on the contract, regardless of the expected duration of the contract. After a favorable pre-employment check has been obtained, the Background Investigation (BI) for Contract High Risk and the Minimum Background Investigation (MBI) for Contract IT Moderate Risk positions must be initiated within three working days of the start of work.
 - (2) Contract personnel performing work designated Contract Moderate Risk who are not performing IT-related contract work do not require a favorable pre-employment check prior to their employment; however, the Minimum Background Investigation (MBI) must be initiated within three working days of the subject's start of work on the contract, regardless of the expected duration of the contract.
 - (3) Contract personnel performing work designated Contract Low Risk will require a National Agency Check and Inquiries (NACI) upon the subject's start of work on the contract if the expected duration of the contract

SECTION C
DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

- exceeds 365 calendar days. The NACI must be initiated within three working days of the subject's start of work on the contract.
- (4) Contract personnel performing work designated Contract Low Risk will require a Special Agreement Check (SAC) upon the subject's start of work on the contract if the expected duration of the contract (including options) exceeds 180 calendar days but is less than 365 calendar days. The SAC must be initiated within three working days of the subject's start of work on the contract.
- (5) Contract personnel performing work on contracts requiring access to classified information must undergo investigative processing according to the Department of Defense National Industrial Security Program Operating Manual (NISPOM), (<http://www.dss.mil/isec/nispom.htm>) and be granted eligibility for access to classified information prior to beginning work on the contract.

The security forms may be obtained from the cognizant DOC security office servicing your bureau, operating unit, or Departmental office. At the option of the government, interim access to DOC IT systems may be granted pending favorable completion of a pre-employment check. Final access may be granted only on completion of an appropriate investigation based upon the risk level assigned to the contract by the Contracting Officer.

b. Within 5 days after contract award, the Contractor shall certify in writing to the COTR that its employees, in performance of the contract, have completed annual IT security awareness training in DOC IT Security policies, procedures, computer ethics, and best practices, in accordance with DOC IT Security Program Policy, section 3.13 (<http://home.osc.doc.gov/DOC-IT-Security-Program-Policy.htm>). The COTR will inform the Contractor of any other available DOC training resources.

c. Within 5 days of contract award, the Contractor shall provide the COTR with signed Nondisclosure Agreements as specified in Commerce Acquisition Regulation (CAR), 1352.209-72, Restrictions Against Disclosures.

d. The Contractor shall afford DOC, including the Office of Inspector General, access to the Contractor's and subcontractor's facilities, installations, operations, documentation, databases, and personnel used in performance of the contract. Access shall be provided to the extent required to carry out a program of IT inspection, investigation, and audit to safeguard against threats and hazards to the integrity, availability, and confidentiality of DOC data or to the function of computer systems operated on behalf of DOC, and to preserve evidence of computer crime.

e. The Contractor shall incorporate this clause in all subcontracts that meet the conditions in paragraph (a) of this clause.

~~SECTION 2D~~
SECTION 2D
PACKAGING AND MARKING

D.1 1352.247-70 PACKING FOR DOMESTIC SHIPMENT (MARCH 2000)

Material shall be packed for shipment in such a manner that will ensure acceptance by common carriers and safe delivery at destination. Containers and closures shall comply with the Interstate Commerce Commission regulations, Uniform Freight Classification rules, or regulations of other carriers as applicable to the mode of transportation.

D.2 1352.247-72 MARKING DELIVERABLES (MARCH 2000)

The contract number shall be placed on or adjacent to all exterior mailing or shipping labels of deliverable items called for by the contract, except for reports.

Mark deliverables, except for reports, for: Mark Lathrop, NOAA, 1315 East West Highway, N/CS35, Silver Spring, MD 20910

SECTION E
INSPECTION AND ACCEPTANCE

E.1 52.246-4 INSPECTION OF SERVICES--FIXED-PRICE (AUG 1996)

(a) Definition. "Services," as used in this clause, includes services performed, workmanship, and material furnished or utilized in the performance of services.

(b) The Contractor shall provide and maintain an inspection system acceptable to the Government covering the services under this contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to the Government during contract performance and for as long afterwards as the contract requires.

(c) The Government has the right to inspect and test all services called for by the contract, to the extent practicable at all times and places during the term of the contract. The Government shall perform inspections and tests in a manner that will not unduly delay the work.

(d) If the Government performs inspections or tests on the premises of the Contractor or a subcontractor, the Contractor shall furnish, and shall require subcontractors to furnish, at no increase in contract price, all reasonable facilities and assistance for the safe and convenient performance of these duties.

(e) If any of the services do not conform with contract requirements, the Government may require the Contractor to perform the services again in conformity with contract requirements, at no increase in contract amount. When the defects in services cannot be corrected by reperformance, the Government may-

(1) Require the Contractor to take necessary action to ensure that future performance conforms to contract requirements; and

(2) Reduce the contract price to reflect the reduced value of the services performed.

(f) If the Contractor fails to promptly perform the services again or to take the necessary action to ensure future performance in conformity with contract requirements, the Government may-

(1) By contract or otherwise, perform the services and charge to the Contractor any cost incurred by the Government that is directly related to the performance of such service; or

(2) Terminate the contract for default.

E.2 1352.246-70 INSPECTION AND ACCEPTANCE (MARCH 2000)

The Contracting Officer or the duly authorized representative will perform inspection and acceptance of supplies and services to be provided under this contract.

Inspection and acceptance will be performed at:

National Oceanic and Atmospheric Administration NOS/ HSD SSMC#3, N/CS35
1315 East West Highway
Silver Spring, MD 20910

~~SECTION F~~
~~EXHIBIT~~
DELIVERIES OR PERFORMANCE

F.1 52.242-15 STOP-WORK ORDER (AUG 1989)

- (a) The Contracting Officer may, at any time, by written order to the Contractor, require the Contractor to stop all, or any part, of the work called for by this contract for a period of 90 days after the order is delivered to the Contractor, and for any further period to which the parties may agree. The order shall be specifically identified as a stop-work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of 90 days after a stop-work is delivered to the Contractor, or within any extension of that period to which the parties shall have agreed, the Contracting Officer shall either-
- (1) Cancel the stop-work order; or
 - (2) Terminate the work covered by the order as provided in the Default, or the Termination for Convenience of the Government, clause of this contract.
- (b) If a stop-work order issued under this clause is canceled or the period of the order or any extension thereof expires, the Contractor shall resume work. The Contracting Officer shall make an equitable adjustment in the delivery schedule or contract price, or both, and the contract shall be modified, in writing, accordingly, if-
- (1) The stop-work order results in an increase in the time required for, or in the Contractor's cost properly allocable to, the performance of any part of this contract; and
 - (2) The Contractor asserts its right to the adjustment within 30 days after the end of the period of work stoppage; provided, that, if the Contracting Officer decides the facts justify the action, the Contracting Officer may receive and act upon the claim submitted at any time before final payment under this contract.
- (c) If a stop-work order is not canceled and the work covered by the order is terminated for the convenience of the Government, the Contracting Officer shall allow reasonable costs resulting from the stop-work order in arriving at the termination settlement.
- (d) If a stop-work order is not canceled and the work covered by the order is terminated for default, the Contracting Officer shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop-work order.

F.2 52.247-34 F.o.b. DESTINATION (NOV 1991)

- (a) The term "f.o.b. destination," as used in this clause, means --
- (1) Free of expense to the Government, on board the carrier's conveyance,

SECTION F
EXHIBIT 2
DELIVERIES OR PERFORMANCE

at a specified delivery point where the consignee's facility (plant, warehouse, store, lot, or other location to which shipment can be made) is located; and

(2) Supplies shall be delivered to the destination consignee's wharf (if destination is a port city and supplies are for export), warehouse unloading platform, or receiving dock, at the expense of the Contractor. The Government shall not be liable for any delivery, storage, demurrage, accessorial, or other charges involved before the actual delivery (or "constructive placement" as defined in carrier tariffs) of the supplies to the destination, unless such charges are caused by an act or order of the Government acting in its contractual capacity. If rail carrier is used, supplies shall be delivered to the specified unloading platform of the consignee. If motor carrier (including "piggyback") is used, supplies shall be delivered to truck tailgate at the unloading platform of the consignee, except when the supplies delivered meet the requirements of Item 568 of the National Motor Freight Classification for "heavy or bulky freight." When supplies meeting the requirements of the referenced Item 568 are delivered, unloading (including movement to the tailgate) shall be performed by the consignee, with assistance from the truck driver, if requested. If the contractor uses rail carrier or freight forwarded for less than carload shipments, the contractor shall ensure that the carrier will furnish tailgate delivery, when required, if transfer to truck is required to complete delivery to consignee.

(b) The Contractor shall --

(1)

(i) Pack and mark the shipment to comply with contract specifications; or

(ii) In the absence of specifications, prepare the shipment in conformance with carrier requirements;

(2) Prepare and distribute commercial bills of lading;

(3) Deliver the shipment in good order and condition to the point of delivery specified in the contract;

(4) Be responsible for any loss of and/or damage to the goods occurring before receipt of the shipment by the consignee at the delivery point specified in the contract;

(5) Furnish a delivery schedule and designate the mode of delivering carrier; and

(6) Pay and bear all charges to the specified point of delivery.

F.3 1352.215-70 PERIOD OF PERFORMANCE (MARCH 2000)

a. The period of performance of this contract will be five years from the date of award. If an option is exercised, the period of performance shall be extended through the end of that option period.

SECTION G
CONTRACT ADMINISTRATION DATA

G.1 1352.201-70 CONTRACTING OFFICER'S AUTHORITY (MARCH 2000)

The Contracting Officer is the only person authorized to make or approve any changes in any of the requirements of the contract and notwithstanding any provisions contained elsewhere in the contract, the said authority remains solely in the Contracting Officer. In the event the Contractor makes any changes at the direction of any person other than the Contracting Officer, the change will be considered to have been made without authority and no adjustment will be made in the contract terms and conditions, including price.

G.2 1352.201-71 CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR) (FEB 2005)

a. Mark Lathrop is hereby designated as the Contracting Officer's Technical Representative (COTR). The COTR may be changed at any time by the Government without prior notice to the Contractor by a unilateral modification to the Contract.

The COTR is located at:

Mr. Mark Lathrop
National Oceanic and Atmospheric Administration
1315 East West Highway, N/CS35
Silver Spring, MD 20910
(301)713-2700 x 199

b. The responsibilities and limitations of the COTR are as follows:

- (1) The COTR is responsible for the technical aspects of the project and serves as technical liaison with the Contractor. The COTR is also responsible for the final inspection and acceptance of all reports, and such other responsibilities as may be specified in the contract.
- (2) The COTR is not authorized to make any commitments or otherwise obligate the Government or authorize any changes which affect the Contract price, terms or conditions. Any Contractor request for changes shall be referred to the Contracting Officer directly or through the COTR. No such changes shall be made without the expressed prior authorization of the Contracting Officer (CO.) The CO may designate assistant or alternate COTR(s) to act for the COTR by naming such assistant/alternate(s) in writing and transmitting a copy of such designation to the Contractor.

G.3 PLACEMENT OF ORDERS

The Contractor shall provide services under this Contract only as directed in Task Orders. In accordance with FAR 16.505, each order will include:

- (i) Date of order.
- (ii) Contract number and order number.
- (iii) Item number and description, quantity, and unit price or estimated cost or fee.
- (iv) Delivery or performance date.
- (v) Place of delivery or performance (including consignee).
- (vi) Packaging, packing, and shipping instructions, if any.
- (vii) Accounting and appropriation data.
- (viii) Method of payment and payment office, if not specified in the contract.
- (ix) Any other pertinent information.

In accordance with I.31, ORDERING, all work shall be initiated by the issuance of a fully executed task order issued by the Contracting Officer.

SECTION G
CONTRACT ADMINISTRATION DATA

G.4 SUBCONTRACTING REPORTS

a. This clause applies in the event a subcontracting plan is required pursuant to clause 52.219-9, incorporated by reference in Section I of the contract.

b. Pursuant to FAR 52.219-9, the contractor shall submit subcontract reports in connection with the performance of this contract using Standard Form 294, "Subcontracting Report for Individual Contracts" and Standard Form 295 entitled "Summary Subcontracting Report." The contractor shall follow the general instructions provided on the reverse side of each form.

Standard Form 294 shall be submitted semi-annually, by April 30th and October 31st. Standard Form 295 shall be submitted annually, by October 31st. The reports shall be submitted as follows:

| <u>Distribution</u> | <u>Addressee</u> |
|---------------------|--|
| copy | Contracting Officer |
| original | U.S. Department of Commerce The Office of Small and Disadvantaged Business Utilization, Room H6411 Hoover Building 14th St & Constitution Ave, N.W. Washington D.C. 20230 |

SECTION H
SPECIAL CONTRACT REQUIREMENTS

H.1 52.236-24 WORK OVERSIGHT IN ARCHITECT-ENGINEER CONTRACTS (APR 1984)

The extent and character of the work to be done by the Contractor shall be subject to the general oversight, supervision, direction, control, and approval of the Contracting Officer.

H.2 1352.208-70 PRINTING (MARCH 2000)

Unless otherwise specified in this contract, the Contractor shall not engage in, or subcontract for, any printing (as that term is defined in Title I of the Government Printing and Binding Regulations in effect on the effective date of this contract) in connection with performing under this contract. Provided, however, that performing a requirement under this contract involving the duplicating of less than 5,000 units of only one page, or less than 25,000 units in the aggregate of multiple pages, such pages are not exceeding a maximum image size of 10 and 3/4 inches by 14 and 1/4 inches, will not be deemed printing.

H.3 1352.209-73 COMPLIANCE WITH THE LAWS (MARCH 2000)

The Contractor shall comply with all applicable laws and rules and regulations having the force of law which deal with or relate to performance or the employment by the Contractor of the employees.

H.4 TASK ORDERS

a. In task order contracts all work shall be initiated only by issuance of a fully executed task order issued by the contracting officer. The work to be performed under these task orders must be within the scope of this contract.

b. The COTR shall initiate the task order implementation process by preparing a statement of requirements or objectives to be achieved by completion of the task order in the form of a Task Objective Statement (TOS). The TOS will contain a detailed description of the functional or other objectives to be achieved, a schedule for completion of the task order, and deliverables to be provided by the task order.

c. The firm having been determined to be the most highly qualified for the TOS will be requested to submit a task order proposal. If the government is unable to reach an acceptable agreement with the selected firm, the next most qualified firm would be given the opportunity to submit a task order proposal.

d. The Contractor shall acknowledge receipt of each TOS and shall develop and forward to the COTR within ten (10) calendar days a proposed Task Management Plan (TMP) for accomplishing the assigned task within the period specified. The TMP shall define the scope, specific tasks and actions which are proposed to be taken by the Contractor to complete the task order, and cost estimate/proposed price. The TMP shall provide the Contractor's interpretation of the scope of work, a description of the technical approach, a work schedule, and documentation of reasonableness for any costs not covered by the basic contract.

e. Based upon the contents of the TMP, the contractor and the Government shall negotiate the number of hours and labor mix required to complete the task order, any changes in the scope of work to be performed, the schedule or the deliverables to be provided in the task order and any new unpriced items. The new unpriced items shall be supported by competitive evaluation in accordance with the approved purchasing system maintained by the Contractor.

Exhibit 2
SECTION H
SPECIAL CONTRACT REQUIREMENTS

f. Within five (5) working days following the conclusion of the final negotiations related to the TMP, the contractor shall submit a revised TMP which reflects the negotiated agreement.

g. Task orders will be considered fully executed upon signature of the Contracting Officer. The Contractor shall begin work on the task order in accordance with the effective date indicated on the task order.

Notwithstanding the above, the Contracting Officer may issue a task order unilaterally with a not to exceed price and the Contractor shall perform without delay. After issuance of a unilateral task order, the procedure set forth above shall be followed to establish a firm fixed price for the task order.

H.5 1352.228-70 INSURANCE COVERAGE (MARCH 2000)

Pursuant to the clause "Insurance-Work on a Government Installation (FAR 52.228-5)," the Contractor will be required to present evidence to show, as a minimum, the amounts of insurance coverage indicated below:

a. Workers Compensation and Employer's Liability. The Contractor is required to comply with applicable federal and state workers' compensation and occupational disease statutes. If occupational diseases are not compensable under those statutes, they shall be covered under the employer's liability section of the insurance policy, except when contract operations are so commingled with a Contractor's commercial operations that it would not be practical to require this coverage. Employer's liability coverage of at least \$100,000 shall be required, except in states with exclusive or monopolistic funds that do not permit workers' compensation to be written by private carriers.

b. General Liability.

- (1) The Contractor shall have bodily injury liability insurance coverage written on the comprehensive form of policy of at least \$500,000 per occurrence.
- (2) Property Damage Liability Insurance shall be required in the amount of \$10,000,000.

c. Automobile Liability. The Contractor shall have automobile liability insurance written on the comprehensive form of policy. The policy shall provide for bodily injury and property damage liability covering the operation of all automobiles used in connection with performing the contract. Policies covering automobiles operated in the United States shall provide coverage of at least \$200,000 per person and \$500,000 per occurrence for bodily injury and \$20,000 per occurrence for property damage.

d. Aircraft Public and Passenger Liability. When aircraft are used in connection with performing the contract, the Contractor shall have aircraft public and passenger liability insurance. Coverage shall be at least \$200,000 per person and \$500,000 per occurrence for bodily injury, other than passenger liability, and \$200,000 per occurrence for property damage. Coverage for passenger liability bodily injury shall be at least \$200,000 multiplied by the number of seats or passengers, whichever is greater.

e. Vessel liability. When contract performance involves use of vessels, the contracting officer shall require, as determined by the agency, vessel collision liability and protection and indemnity liability insurance.

H.6 1352.228-72 DEDUCTIBLES UNDER REQUIRED INSURANCE COVERAGE (MARCH 2000)

When the Government is injured, wholly or partially as a result of the Contractor's actions and such actions are covered by the insurance required by 1352.228-70, Insurance Coverage, the Government is entitled to recover from the Contractor the full amount of any such injury attributable to the Contractor

Exhibit 2
SECTION H
SPECIAL CONTRACT REQUIREMENTS

regardless of an deductible. The Contracting Officer may offset the amount of recovery against any payment due to the Contractor.

H.7 1352.231-70 DUPLICATION OF EFFORT (MARCH 2000)

The Contractor hereby certifies that costs for work to be performed under this contract and any subcontract are not duplicative of any costs charged against any other Government contract, subcontract, or other Government source. The Contractor agrees to advise the Contracting Officer, in writing, of any other Government contract or subcontract it has performed or is performing which involves work directly related to the purpose of this contract. The Contractor also certifies and agrees that any and all work performed under this contract shall be directly and exclusively for the use and benefit of the Government, and not incidental to any other work, pursuit, research, or purpose of the Contractor, whose responsibility it will be to account for it accordingly.

H.8 1352.237-73 KEY PERSONNEL (MARCH 2000)

- a. The Contractor shall assign to this contract the following Key Personnel:

Edward J. Saade, Principal in Charge
Robert J. Richards Jr., P.E., Program Manager
Jana Da Siva Lage, Project Manager/Logistic Manager
Jerry Wilson, PhD., C.E.G., Project Consultant-Oceanography
William C. Speidel, Project Consultant-Vessels
David Millar, Project Consultant-LIDAR Operations
William Gilmour, Resources and Quality Control
Douglas Lockhart, Chief Scientist, Quality Control&Technical Development
Carol Lockhart, Quality Control and GIS Specialist
Dushan Arumugam, Key Hydrographer
Brian Busey, Key Hydrographer
Gregory J. Kurras, Key Hydrographer
Jose Martinez, Key Hydrographer
Dean Moyles, Key Hydrographer
Andrew Orthmann, Key Hydrographer
Dale Reynolds, Key Hydrographer
Jeffrey Carothers, Quality Control
Kevin Morris, Logistics
Ricardo M. Johnson, PLS, Land Surveyor
Chad Pastor, Hydrographer
Douglas L. Delcambre, Hydrographer
Michael D. Walsh, Senior Engineer
Steve W. Chronic, PE, PLS, Task Manager
John Oswald, CHS, PLS, Hydrographer and Tides/Water Level Specialist,
Project Manager
M. Scott McLane, P.L.S., Project Manager
George G. Reynolds, Program Manager
William J. Daniel III, PLS, Land Surveyor
Olin Kealoha Lagon, Logistics Support
Dennis I. Hirota, PhD, PE, LPLS, Principal, Quality Assurance
Marcus Ballweber, Vessel Operations
Dan Stabbert, Vessel Operations

b. The Contractor shall obtain the consent of the Contracting Officer prior to making Key Personnel substitutions. Replacements for Key Personnel must possess qualifications equal to or exceeding the qualifications of the personnel being replaced specified.

c. Requests for changes shall be submitted to the Contracting Officer at least 15 working days prior to making any permanent substitutions. The request should contain a detailed explanation of the circumstances necessitating the proposed substitutions, complete resumes for the proposed substitutes, and any additional information requested by the Contracting Officer. The Contracting Officer will notify the Contractor within 10 working days after receipt of all

~~SECTION H~~
SECTION H
SPECIAL CONTRACT REQUIREMENTS

in writing in the event that the Contractor determines or has reason to suspect a breach of this requirement.

b. The Contractor agrees that it will not disclose any information described in subsection a to any persons or individual unless prior written approval is obtained from the Contracting Officer. The Contractor agrees to insert the substance of this clause in any consultant agreement or subcontract hereunder.

c. Unless otherwise provided in this contract, the contractor shall not:

- o publish
- o permit to be published
- o distribute for public consumption

any information, oral or written, concerning the results of, or conclusions made pursuant to, performance under this contract, without prior written consent of the COTR.

d. During the course of performance of this contract, the contractor will have access to information that is subject to certain protections under the Privacy Act. In these circumstances, the contractor shall protect and otherwise prevent from disclosure such information unless specifically required in the performance of its duties and authorized by the COTR.

SECTION I
Exhibit 2
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): For contract clauses which are contained in the Federal Acquisition Regulation (FAR) the address is <http://www.acqnet.gov/far>.

I.2 52.203-6 RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT (JUL 1995)

I.3 52.203-12 LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (JUN 2003)

I.4 52.215-2 AUDIT AND RECORDS--NEGOTIATION (JUNE 1999)

I.5 52.215-10 PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA (OCT 1997)

I.6 52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA--MODIFICATIONS (OCT 1997)

I.7 52.222-26 EQUAL OPPORTUNITY (APR 2002)

I.8 52.222-35 EQUAL OPPORTUNITY FOR SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS. [DEC 2001]

I.9 52.222-36 AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (JUN 1998)

I.10 52.227-11 PATENT RIGHTS--RETENTION BY THE CONTRACTOR (SHORT FORM) (JUN 1997)

I.11 52.228-5 INSURANCE-WORK ON A GOVERNMENT INSTALLATION (JAN 1997)

I.12 52.236-23 RESPONSIBILITY OF THE ARCHITECT-ENGINEER CONTRACTOR (APR 1984)

I.13 52.236-24 WORK OVERSIGHT IN ARCHITECT-ENGINEER CONTRACTS (APR 1984)

I.14 52.242-14 SUSPENSION OF WORK (APR 1984)

I.15 52.249-7 TERMINATION (FIXED-PRICE ARCHITECT-ENGINEER) (APR 1984)

I.16 52.202-1 DEFINITIONS (JUL 2004)

(a) When a solicitation provision or contract clause uses a word or term that is defined in the Federal Acquisition Regulation (FAR), the word or term has the same meaning as the definition in FAR 2.101 in effect at the time the solicitation was issued, unless--

- (1) The solicitation, or amended solicitation, provides a different definition;
- (2) The contracting parties agree to a different definition;
- (3) The part, subpart, or section of the FAR where the provision or clause is prescribed provides a different meaning; or
- (4) The word or term is defined in FAR Part 31, for use in the cost principles and procedures.

SECTION I
EXHIBIT 2
CONTRACT CLAUSES

(b) The FAR Index is a guide to words and terms the FAR defines and shows where each definition is located. The FAR Index is available via the Internet at <http://www.acqnet.gov/far> at the end of the FAR, after the FAR Appendix.

I.17 52.203-3 GRATUITIES (APR 1984)

(a) The right of the Contractor to proceed may be terminated by written notice if, after notice and hearing, the agency head or a designee determines that the Contractor, its agent, or another representative--

- (1) Offered or gave a gratuity (e.g., an entertainment or gift) to an officer, official, or employee of the Government; and
- (2) Intended, by the gratuity, to obtain a contract or favorable treatment under a contract.

(b) The facts supporting this determination may be reviewed by any court having lawful jurisdiction.

(c) If this contract is terminated under paragraph (a) of this clause, the Government is entitled--

- (1) To pursue the same remedies as in a breach of the contract; and
- (2) In addition to any other damages provided by law, to exemplary damages of not less than 3 nor more than 10 times the cost incurred by the Contractor in giving gratuities to the person concerned, as determined by the agency head or a designee. (This paragraph (c)(2) is applicable only if this contract uses money appropriated to the Department of Defense.)

(d) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

I.18 52.203-5 COVENANT AGAINST CONTINGENT FEES (APR 1984)

(a) The Contractor warrants that no person or agency has been employed or retained to solicit or obtain this contract upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, the Government shall have the right to annul this contract without liability or, in its discretion, to deduct from the contract price or consideration, or otherwise recover, the full amount of the contingent fee.

(b) "Bona fide agency," as used in this clause, means an established commercial or selling agency, maintained by a contractor for the purpose of securing business, that neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds itself out as being able to obtain any Government contract or contracts through improper influence.

"Bona fide employee," as used in this clause, means a person, employed by a contractor and subject to the contractor's supervision and control as to time, place, and manner of performance, who neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds out as being able to obtain any Government contract or contracts through improper influence.

"Contingent fee," as used in this clause, means any commission, percentage, brokerage, or other fee that is contingent upon the success that a person or concern has in securing a Government contract.

"Improper influence," as used in this clause, means any influence that induces or tends to induce a Government employee or officer to give consideration or to act regarding a Government contract on any basis other than the merits of the matter.

SECTION I
Exhibit 2
CONTRACT CLAUSES

I.19 52.203-7 ANTI-KICKBACK PROCEDURES (JUL 1995)

(a) "Definitions."

"Kickback," as used in this clause, means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, to any prime Contractor, prime Contractor employee, subcontractor, or subcontractor employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or in connection with a subcontract relating to a prime contract.

"Person," as used in this clause, means a corporation, partnership, business association of any kind, trust, joint-stock company, or individual.

"Prime contract," as used in this clause, means a contract or contractual action entered into by the United States for the purpose of obtaining supplies, materials, equipment, or services of any kind.

"Prime Contractor" as used in this clause, means a person who has entered into a prime contract with the United States.

"Prime Contractor employee," as used in this clause, means any officer, partner, employee, or agent of a prime Contractor.

"Subcontract," as used in this clause, means a contract or contractual action entered into by a prime Contractor or subcontractor for the purpose of obtaining supplies, materials, equipment, or services of any kind under a prime contract.

"Subcontractor," as used in this clause,

- (1) means any person, other than the prime Contractor, who offers to furnish or furnishes any supplies, materials, equipment, or services of any kind under a prime contract or a subcontract entered into in connection with such prime contract, and
- (2) includes any person who offers to furnish or furnishes general supplies to the prime Contractor or a higher tier subcontractor.

"Subcontractor employee," as used in this clause, means any officer, partner, employee, or agent of a subcontractor.

(b) The Anti-Kickback Act of 1986 (41 U.S.C. 51-58) (the Act), prohibits any person from--

- (1) Providing or attempting to provide or offering to provide any kickback;
- (2) Soliciting, accepting, or attempting to accept any kickback; or
- (3) Including, directly or indirectly, the amount of any kickback in the contract price charged by a prime Contractor to the United States or in the contract price charged by a subcontractor to a prime Contractor or higher tier subcontractor.

(c)

- (1) The Contractor shall have in place and follow reasonable procedures designed to prevent and detect possible violations described in paragraph (b) of this clause in its own operations and direct business relationships.
- (2) When the Contractor has reasonable grounds to believe that a violation described in paragraph (b) of this clause may have occurred, the Contractor shall promptly report in writing the possible violation. Such reports shall be made to the inspector general of the contracting agency, the head of the contracting agency if the agency does not have an inspector general, or the Department of Justice.
- (3) The Contractor shall cooperate fully with any Federal agency investigating a possible violation described in paragraph (b) of this clause.
- (4) The Contracting Officer may (i) offset the amount of the

SECTION I
EXHIBIT 2
CONTRACT CLAUSES

kickback against any monies owed by the United States under the prime contract and/or (ii) direct that the Prime Contractor withhold from sums owed a subcontractor under the prime contract the amount of the kickback. The Contracting Officer may order that monies withheld under subdivision (c)(4)(ii) of this clause be paid over to the Government unless the Government has already offset those monies under subdivision (c)(4)(i) of this clause. In either case, the Prime Contractor shall notify the Contracting Officer when the monies are withheld.

- (5) The Contractor agrees to incorporate the substance of this clause, including paragraph (c)(5) but excepting paragraph (c)(1), in all subcontracts under this contract which exceed \$100,000.

I.20 52.203-8 CANCELLATION, RESCISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY (JAN 1997)

(a) If the Government receives information that a contractor or a person has engaged in conduct constituting a violation of subsection (a), (b), (c), or (d) of section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423) (the Act), as amended by section 4304 of the National Defense Authorization Act for Fiscal Year 1996 (Pub. L. 104-106), the Government may--

(1) Cancel the solicitation, if the contract has not yet been awarded or issued; or

(2) Rescind the contract with respect to which--

(i) The Contractor or someone acting for the Contractor has been convicted for an offense where the conduct constitutes a violation of subsection 27(a) or (b) of the Act for the purpose of either--

(A) Exchanging the information covered by such subsections for anything of value; or

(B) Obtaining or giving anyone a competitive advantage in the award of a Federal agency procurement contract; or

(ii) The head of the contracting activity has determined, based upon a preponderance of the evidence, that the Contractor or someone acting for the Contractor has engaged in conduct constituting an offense punishable under subsection 27(e)(1) of the Act.

(b) If the Government rescinds the contract under paragraph (a) of this clause, the Government is entitled to recover, in addition to any penalty prescribed by law, the amount expended under the contract.

(c) The rights and remedies of the Government specified herein are not exclusive, and are in addition to any other rights and remedies provided by law, regulation, or under this contract.

I.21 52.203-10 PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY (JAN 1997)

(a) The Government, at its election, may reduce the price of a fixed-price type contract and the total cost and fee under a cost-type contract by the amount of profit or fee determined as set forth in paragraph (b) of this clause if the head of the contracting activity or designee determines that there was a violation of subsection 27(a), (b), or (c) of the Office of Federal Procurement Policy Act, as amended (41 U.S.C. 423), as implemented in section 3.104 of the Federal Acquisition Regulation.

SECTION I
Exhibit 2
CONTRACT CLAUSES

(b) The price or fee reduction referred to in paragraph (a) of this clause shall be--

- (1) For cost-plus-fixed-fee contracts, the amount of the fee specified in the contract at the time of award;
- (2) For cost-plus-incentive-fee contracts, the target fee specified in the contract at the time of award, notwithstanding any minimum fee or "fee floor" specified in the contract;
- (3) For cost-plus-award-fee contracts--
 - (i) The base fee established in the contract at the time of contract award;
 - (ii) If no base fee is specified in the contract, 30 percent of the amount of each award fee otherwise payable to the Contractor for each award fee evaluation period or at each award fee determination point.
- (4) For fixed-price-incentive contracts, the Government may--
 - (i) Reduce the contract target price and contract target profit both by an amount equal to the initial target profit specified in the contract at the time of contract award; or
 - (ii) If an immediate adjustment to the contract target price and contract target profit would have a significant adverse impact on the incentive price revision relationship under the contract, or adversely affect the contract financing provisions, the Contracting Officer may defer such adjustment until establishment of the total final price of the contract. The total final price established in accordance with the incentive price revision provisions of the contract shall be reduced by an amount equal to the initial target profit specified in the contract at the time of contract award and such reduced price shall be the total final contract price.
- (5) For firm-fixed-price contracts, by 10 percent of the initial contract price or a profit amount determined by the Contracting Officer from records or documents in existence prior to the date of the contract award.

(c) The Government may, at its election, reduce a prime contractor's price or fee in accordance with the procedures of paragraph (b) of this clause for violations of the Act by its subcontractors by an amount not to exceed the amount of profit or fee reflected in the subcontract at the time the subcontract was first definitively priced.

(d) In addition to the remedies in paragraphs (a) and (c) of this clause, the Government may terminate this contract for default. The rights and remedies of the Government specified herein are not exclusive, and are in addition to any other rights and remedies provided by law or under this contract.

I.22 52.204-2 SECURITY REQUIREMENTS (AUG 1996)-ALTERNATE II (APR 1984)

(a) This clause applies to the extent that this contract involves access to information classified "Confidential," "Secret," or "Top Secret."

(b) The Contractor shall comply with--

- (1) The Security Agreement (DD Form 441), including the National Industrial Security Program Operating Manual (DOD 5220.22-M); and
- (2) Any revisions to that manual, notice of which has been furnished to the Contractor.

SECTION I
EXHIBIT 2
CONTRACT CLAUSES

(c) If, subsequent to the date of this contract, the security classification or security requirements under this contract are changed by the Government and if the changes cause an increase or decrease in security costs or otherwise affect any other term or condition of this contract, the contract shall be subject to an equitable adjustment as if the changes were directed under the Changes clause of this contract.

(d) The Contractor agrees to insert terms that conform substantially to the language of this clause, including this paragraph (d) but excluding any reference to the Changes clause of this contract, in all subcontracts under this contract that involve access to classified information.

(e) The Contractor shall be responsible for furnishing to each employee and for requiring each employee engaged on the work to display such identification as may be approved and directed by the Contracting Officer. All prescribed identification shall immediately be delivered to the Contracting Officer, for cancellation upon the release of any employee. When required by the Contracting Officer, the Contractor shall obtain and submit fingerprints of all persons employed or to be employed on the project.

I.23 52.204-4 PRINTED OR COPIED DOUBLE-SIDED ON RECYCLED PAPER (AUG 2000)

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

"Postconsumer material" means a material or finished product that has served its intended use and has been discarded for disposal or recovery, having completed its life as a consumer item. Postconsumer material is a part of the broader category of "recovered material." For paper and paper products, postconsumer material means "postconsumer fiber" defined by the U.S. Environmental Protection Agency (EPA) as--

- (1) Paper, paperboard, and fibrous materials from retail stores, office buildings, homes, and so forth, after they have passed through their end-usage as a consumer item, including: used corrugated boxes; old newspapers; old magazines; mixed waste paper; tabulating cards; and used cordage; or
- (2) All paper, paperboard, and fibrous materials that enter and are collected from municipal solid waste; but not
- (3) Fiber derived from printers' over-runs, converters' scrap, and over-issue publications.

"Printed or copied double-sided" means printing or reproducing a document so that information is on both sides of a sheet of paper.

"Recovered material," for paper and paper products, is defined by EPA in its Comprehensive Procurement Guideline as "recovered fiber" and means the following materials:

- (1) Postconsumer fiber; and
- (2) Manufacturing wastes such as--
 - (i) Dry paper and paperboard waste generated after completion of the papermaking process (that is, those manufacturing operations up to and including the cutting and trimming of the paper machine reel into smaller rolls or rough sheets) including: envelope cuttings, bindery trimmings, and other paper and paperboard waste resulting from printing, cutting, forming, and other converting operations; bag, box, and carton manufacturing wastes; and butt rolls, mill wrappers, and rejected unused stock; and
 - (ii) Repulped finished paper and paperboard from obsolete inventories of paper and paperboard manufacturers, merchants, wholesalers, dealers, printers, converters, or others.

SECTION I
EXHIBIT 2
CONTRACT CLAUSES

(b) In accordance with Section 101 of Executive Order 13101 of September 14, 1998, Greening the Government through Waste Prevention, Recycling, and Federal Acquisition, the Contractor is encouraged to submit paper documents, such as offers, letters, or reports, that are printed or copied double-sided on recycled paper that meet minimum content standards specified in Section 505 of Executive Order 13101, when not using electronic commerce methods to submit information or data to the Government.

(c) If the Contractor cannot purchase high-speed copier paper, offset paper, forms bond, computer printout paper, carbonless paper, file folders, white wove envelopes, writing and office paper, book paper, cotton fiber paper, and cover stock meeting the 30 percent postconsumer material standard for use in submitting paper documents to the Government, it should use paper containing no less than 20 percent postconsumer material. This lesser standard should be used only when paper meeting the 30 percent postconsumer material standard is not obtainable at a reasonable price or does not meet reasonable performance standards.

I.24 52.204-7 CENTRAL CONTRACTOR REGISTRATION (OCT 2003)

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

"Central Contractor Registration (CCR) database" means the primary Government repository for Contractor information required for the conduct of business with the Government.

"Data Universal Numbering System (DUNS) number" means the 9-digit number assigned by Dun and Bradstreet, Inc. (D&B) to identify unique business entities.

"Data Universal Numbering System +4 (DUNS+4) number" means the DUNS number assigned by D&B plus a 4-character suffix that may be assigned by a business concern. (D&B has no affiliation with this 4-character suffix.) This 4-character suffix may be assigned at the discretion of the business concern to establish additional CCR records for identifying alternative Electronic Funds Transfer (EFT) accounts (see the FAR at Subpart 32.11) for the same parent concern.

"Registered in the CCR database" means that--

- (1) The Contractor has entered all mandatory information, including the DUNS number or the DUNS+4 number, into the CCR database; and
- (2) The Government has validated all mandatory data fields and has marked the record "Active".

(b)

- (1) By submission of an offer, the offeror acknowledges the requirement that a prospective awardee shall be registered in the CCR database prior to award, during performance, and through final payment of any contract, basic agreement, basic ordering agreement, or blanket purchasing agreement resulting from this solicitation.
- (2) The offeror shall enter, in the block with its name and address on the cover page of its offer, the annotation "DUNS" or "DUNS +4" followed by the DUNS or DUNS +4 number that identifies the offeror's name and address exactly as stated in the offer. The DUNS number will be used by the Contracting Officer to verify that the offeror is registered in the CCR database.

(c) If the offeror does not have a DUNS number, it should contact Dun and Bradstreet directly to obtain one.

(1) An offeror may obtain a DUNS number--

- (i) If located within the United States, by calling Dun and Bradstreet at 1-866-705-5711 or via the Internet at <http://www.dnb.com>; or
- (ii) If located outside the United States, by contacting the local Dun and Bradstreet office.

SECTION I
Exhibit 2
CONTRACT CLAUSES

(2) The offeror should be prepared to provide the following information:

- (i) Company legal business.
- (ii) Tradestyle, doing business, or other name by which your entity is commonly recognized.
- (iii) Company Physical Street Address, City, State, and Zip Code.
- (iv) Company Mailing Address, City, State and Zip Code (if separate from physical).
- (v) Company Telephone Number.
- (vi) Date the company was started.
- (vii) Number of employees at your location.
- (viii) Chief executive officer/key manager.
- (ix) Line of business (industry).
- (x) Company Headquarters name and address (reporting relationship within your entity).

(d) If the Offeror does not become registered in the CCR database in the time prescribed by the Contracting Officer, the Contracting Officer will proceed to award to the next otherwise successful registered Offeror.

(e) Processing time, which normally takes 48 hours, should be taken into consideration when registering. Offerors who are not registered should consider applying for registration immediately upon receipt of this solicitation.

(f) The Contractor is responsible for the accuracy and completeness of the data within the CCR database, and for any liability resulting from the Government's reliance on inaccurate or incomplete data. To remain registered in the CCR database after the initial registration, the Contractor is required to review and update on an annual basis from the date of initial registration or subsequent updates its information in the CCR database to ensure it is current, accurate and complete. Updating information in the CCR does not alter the terms and conditions of this contract and is not a substitute for a properly executed contractual document.

(g)

(1)

- (i) If a Contractor has legally changed its business name, "doing business as" name, or division name (whichever is shown on the contract), or has transferred the assets used in performing the contract, but has not completed the necessary requirements regarding novation and change-of-name agreements in Subpart 42.12, the Contractor shall provide the responsible Contracting Officer a minimum of one business day's written notification of its intention to
 - (A) change the name in the CCR database;
 - (B) comply with the requirements of Subpart 42.12 of the FAR; and
 - (C) agree in writing to the timeline and procedures specified by the responsible Contracting Officer. The Contractor must provide with the notification sufficient documentation to support the legally changed name.
- (ii) If the Contractor fails to comply with the requirements of paragraph (g) (1) (i) of this clause, or fails to perform the agreement at paragraph (g) (1) (i) (C) of this clause, and, in the absence of a properly executed novation or change-of-name agreement, the CCR information that shows the Contractor to be other than the Contractor indicated in the contract will be considered to be incorrect information within the meaning of the "Suspension of Payment" paragraph of the electronic funds transfer (EFT) clause of this

SECTION I
EXHIBIT 2
CONTRACT CLAUSES

contract.

- (2) The Contractor shall not change the name or address for EFT payments or manual payments, as appropriate, in the CCR record to reflect an assignee for the purpose of assignment of claims (see FAR Subpart 32.8, Assignment of Claims). Assignees shall be separately registered in the CCR database. Information provided to the Contractor's CCR record that indicates payments, including those made by EFT, to an ultimate recipient other than that Contractor will be considered to be incorrect information within the meaning of the "Suspension of payment" paragraph of the EFT clause of this contract.

(h) Offerors and Contractors may obtain information on registration and annual confirmation requirements via the internet at <http://www.ccr.gov> or by calling 1-888-227-2423, or 269-961-5757.

I.25 52.209-6 PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (JAN 2005)

(a) The Government suspends or debar Contractors to protect the Government's interests. The Contractor shall not enter into any subcontract in excess of \$25,000 with a Contractor that is debarred, suspended, or proposed for debarment unless there is a compelling reason to do so.

(b) The Contractor shall require each proposed first-tier subcontractor, whose subcontract will exceed \$25,000, to disclose to the Contractor, in writing, whether as of the time of award of the subcontract, the subcontractor, or its principals, is or is not debarred, suspended, or proposed for debarment by the Federal Government.

(c) A corporate officer or a designee of the Contractor shall notify the Contracting Officer, in writing, before entering into a subcontract with a party that is debarred, suspended, or proposed for debarment (see FAR 9.404 for information on the Excluded Parties List System). The notice must include the following:

- (1) The name of the subcontractor.
- (2) The Contractor's knowledge of the reasons for the subcontractor being in the Excluded Parties List System.
- (3) The compelling reason(s) for doing business with the subcontractor notwithstanding its inclusion in the Excluded Parties List System.
- (4) The systems and procedures the Contractor has established to ensure that it is fully protecting the Government's interests when dealing with such subcontractor in view of the specific basis for the party's debarment, suspension, or proposed debarment.

I.26 52.215-8 ORDER OF PRECEDENCE--UNIFORM CONTRACT FORMAT (OCT 1997)

Any inconsistency in this solicitation or contract shall be resolved by giving precedence in the following order:

- (a) The Schedule (excluding the specifications).
- (b) Representations and other instructions.
- (c) Contract clauses.
- (d) Other documents, exhibits, and attachments.
- (e) The specifications.

SECTION I
EXHIBIT 2
CONTRACT CLAUSES

I.27 52.215-12 SUBCONTRACTOR COST OR PRICING DATA (OCT 1997)

(a) Before awarding any subcontract expected to exceed the threshold for submission of cost or pricing data at FAR 15.403-4, on the date of agreement on price or the date of award, whichever is later; or before pricing any subcontract modification involving a pricing adjustment expected to exceed the threshold for submission of cost or pricing data at FAR 15.403-4, the Contractor shall require the subcontractor to submit cost or pricing data (actually or by specific identification in writing), unless an exception under FAR 15.403-1 applies.

(b) The Contractor shall require the subcontractor to certify in substantially the form prescribed in FAR 15.406-2 that, to the best of its knowledge and belief, the data submitted under paragraph (a) of this clause were accurate, complete, and current as of the date of agreement on the negotiated price of the subcontract or subcontract modification.

(c) In each subcontract that exceeds the threshold for submission of cost or pricing data at FAR 15.403-4, when entered into, the Contractor shall insert either--

- (1) The substance of this clause, including this paragraph (c), if paragraph (a) of this clause requires submission of cost or pricing data for the subcontract; or
- (2) The substance of the clause at FAR 52.215-13, Subcontractor Cost or Pricing Data-Modifications.

I.28 52.215-15 PENSION ADJUSTMENTS AND ASSET REVERSIONS (JAN 2004)

(a) The Contractor shall promptly notify the Contracting Officer in writing when it determines that it will terminate a defined-benefit pension plan or otherwise recapture such pension fund assets.

(b) For segment closings, pension plan terminations, or curtailment of benefits, the amount of the adjustment shall be--

- (1) For contracts and subcontracts that are subject to full coverage under the Cost Accounting Standards (CAS) Board rules and regulations (48 CFR Chapter 99), the amount measured, assigned, and allocated in accordance with 48 CFR 9904.413-50(c)(12); and
- (2) For contracts and subcontracts that are not subject to full coverage under the CAS, the amount measured, assigned, and allocated in accordance with 48 CFR 9904.413-50(c)(12), except the numerator of the fraction at 48 CFR 904.413-50(c)(12)(vi) shall be the sum of the pension plan costs allocated to all non-CAS covered contracts and subcontracts that are subject to Federal Acquisition Regulation (FAR) Subpart 31.2 or for which cost or pricing data were submitted.

(c) For all other situations where assets revert to the Contractor, or such assets are constructively received by it for any reason, the Contractor shall, at the Government's option, make a refund or give a credit to the Government for its equitable share of the gross amount withdrawn. The Government's equitable share shall reflect the Government's participation in pension costs through those contracts for which cost or pricing data were submitted or that are subject to FAR Subpart 31.2.

(d) The Contractor shall include the substance of this clause in all subcontracts under this contract that meet the applicability requirement of FAR 15.408(g).

SECTION I
CONTRACT CLAUSES

I.29 52.215-18 REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS (OCT 1997)

The Contractor shall promptly notify the Contracting Officer in writing when it determines that it will terminate or reduce a PRB plan. If PRB fund assets revert, or inure, to the Contractor or are constructively received by it under a plan termination or otherwise, the Contractor shall make a refund or give a credit to the Government for its equitable share as required by FAR 31.205-6(o)(6). The Contractor shall include the substance of this clause in all subcontracts under this contract that meet the applicability requirements of FAR 15.408(j).

I.30 52.215-19 NOTIFICATION OF OWNERSHIP CHANGES (OCT 1997)

(a) The Contractor shall make the following notifications in writing:

- (1) When the Contractor becomes aware that a change in its ownership has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the Contractor shall notify the Administrative Contracting Officer (ACO) within 30 days.
- (2) The Contractor shall also notify the ACO within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership.

(b) The Contractor shall--

- (1) Maintain current, accurate, and complete inventory records of assets and their costs;
- (2) Provide the ACO or designated representative ready access to the records upon request;
- (3) Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Contractor's ownership changes; and
- (4) Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Contractor ownership change.

(c) The Contractor shall include the substance of this clause in all subcontracts under this contract that meet the applicability requirement of FAR 15.408(k).

I.31 ORDERING

(a) Any supplies and services to be furnished under the contract shall be initiated by issuance of a fully executed task order issued by the Contracting Officer. Such orders may be issued for a period of five years from date of award.

(b) All delivery orders or task orders are subject to the terms and conditions of the contract. In the event of conflict between a delivery order or task order and the contract, the contract shall control.

(c) If mailed, a delivery order or task order is considered "issued" when the Government deposits the order in the mail. Orders may be issued orally, by facsimile, or by electronic commerce methods only if authorized in the Schedule.

SECTION I
Exhibit 2
CONTRACT CLAUSES

I.32 52.216-19 ORDER LIMITATIONS (OCT 1995)

(a) Minimum order. When the Government requires supplies or services covered by this contract in an amount of less than \$2,500, the Government is not obligated to purchase, nor is the Contractor obligated to furnish, those supplies or services under the contract.

(b) Maximum order. The Contractor is not obligated to honor-

- (1) Any order for a single item in excess of \$10,000,000;
- (2) Any order for a combination of items in excess of \$10,000,000; or
- (3) A series of orders from the same ordering office within 60 days that together call for quantities exceeding the limitation in paragraph (b) (1) or (2) of this section.

(c) If this is a requirements contract (i.e., includes the Requirements clause at subsection 52.216-21 of the Federal Acquisition Regulation (FAR)), the Government is not required to order a part of any one requirement from the Contractor if that requirement exceeds the maximum-order limitations in paragraph (b) of this section.

(d) Notwithstanding paragraphs (b) and (c) of this section, the Contractor shall honor any order exceeding the maximum order limitations in paragraph (b), unless that order (or orders) is returned to the ordering office within 15 days after issuance, with written notice stating the Contractor's intent not to ship the item (or items) called for and the reasons. Upon receiving this notice, the Government may acquire the supplies or services from another source.

I.33 52.216-22 INDEFINITE QUANTITY (OCT 1995)

(a) This is an indefinite-quantity contract for the supplies or services specified, and effective for the period stated, in the Schedule. The quantities of supplies and services specified in the Schedule are estimates only and are not purchased by this contract.

(b) Delivery or performance shall be made only as authorized by orders issued in accordance with the Ordering clause. The Contractor shall furnish to the Government, when and if ordered, the supplies or services specified in the Schedule up to and including the quantity designated in the Schedule as the "maximum." The Government shall order at least the quantity of supplies or services designated in the Schedule as the "minimum."

(c) Except for any limitations on quantities in the Order Limitations clause or in the Schedule, there is no limit on the number of orders that may be issued. The Government may issue orders requiring delivery to multiple destinations or performance at multiple locations.

(d) Any order issued during the effective period of this contract and not completed within that period shall be completed by the Contractor within the time specified in the order. The contract shall govern the Contractor's and Government's rights and obligations with respect to that order to the same extent as if the order were completed during the contract's effective period; provided, that the Contractor shall not be required to make any deliveries under this contract after two years beyond the effective period of the contract.

I.34 52.219-8 UTILIZATION OF SMALL BUSINESS CONCERNS (MAY 2004)

(a) It is the policy of the United States that small business concerns, veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns, and women-owned small business concerns shall have the maximum practicable opportunity to participate in performing contracts let by any

SECTION I
Exhibit 2
CONTRACT CLAUSES

Federal agency, including contracts and subcontracts for subsystems, assemblies, components, and related services for major systems. It is further the policy of the United States that its prime contractors establish procedures to ensure the timely payment of amounts due pursuant to the terms of their subcontracts with small business concerns, veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns, and women-owned small business concerns.

(b) The Contractor hereby agrees to carry out this policy in the awarding of subcontracts to the fullest extent consistent with efficient contract performance. The Contractor further agrees to cooperate in any studies or surveys as may be conducted by the United States Small Business Administration or the awarding agency of the United States as may be necessary to determine the extent of the Contractor's compliance with this clause.

(c) Definitions. As used in this contract--

"HUBZone small business concern" means a small business concern that appears on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration.

"Service-disabled veteran-owned small business concern"--

(1) Means a small business concern--

- (i) Not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and
- (ii) The management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a service-disabled veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

(2) Service-disabled veteran means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16).

"Small business concern" means a small business as defined pursuant to Section 3 of the Small Business Act and relevant regulations promulgated pursuant thereto.

"Small disadvantaged business concern" means a small business concern that represents, as part of its offer that--

- (1) It has received certification as a small disadvantaged business concern consistent with 13 CFR part 124, Subpart B;
- (2) No material change in disadvantaged ownership and control has occurred since its certification;
- (3) Where the concern is owned by one or more individuals, the net worth of each individual upon whom the certification is based does not exceed \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); and
- (4) It is identified, on the date of its representation, as a certified small disadvantaged business in the database maintained by the Small Business Administration (PRO-Net).

"Veteran-owned small business concern" means a small business concern--

(1) Not less than 51 percent of which is owned by one or more

veterans (as defined at 38 U.S.C. 101(2)) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and

(2) The management and daily business operations of which are controlled by one or more veterans.

"Women-owned small business concern" means a small business concern--

SECTION I
Exhibit 2
CONTRACT CLAUSES

- (1) That is at least 51 percent owned by one or more women, or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and
- (2) Whose management and daily business operations are controlled by one or more women.

(d) Contractors acting in good faith may rely on written representations by their subcontractors regarding their status as a small business concern, a veteran-owned small business concern, a service-disabled veteran-owned small business concern, a HUBZone small business concern, a small disadvantaged business concern, or a women-owned small business concern.

I.35 52.219-9 SMALL BUSINESS SUBCONTRACTING PLAN (Jan 2002)-ALTERNATE II (OCT 2001)

(a) This clause does not apply to small business concerns.

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

"Commercial item" means a product or service that satisfies the definition of commercial item in section 2.101 of the Federal Acquisition Regulation.

"Commercial plan" means a subcontracting plan (including goals) that covers the offeror's fiscal year and that applies to the entire production of commercial items sold by either the entire company or a portion thereof (e.g., division, plant, or product line).

"Individual contract plan" means a subcontracting plan that covers the entire contract period (including option periods), applies to a specific contract, and has goals that are based on the offeror's planned subcontracting in support of the specific contract, except that indirect costs incurred for common or joint purposes may be allocated on a prorated basis to the contract.

"Master plan" means a subcontracting plan that contains all the required elements of an individual contract plan, except goals, and may be incorporated into individual contract plans, provided the master plan has been approved.

"Subcontract" means any agreement (other than one involving an employer-employee relationship) entered into by a Federal Government prime Contractor or subcontractor calling for supplies or services required for performance of the contract or subcontract.

(c) Proposals submitted in response to this solicitation shall include a subcontracting plan that separately addresses subcontracting with small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns. If the offeror is submitting an individual contract plan, the plan must separately address subcontracting with small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns, with a separate part for the basic contract and separate parts for each option (if any). The plan shall be included in and made a part of the resultant contract. The subcontracting plan shall be negotiated within the time specified by the Contracting Officer. Failure to submit and negotiate a subcontracting plan shall make the offeror ineligible for award of a contract.

(d) The offeror's subcontracting plan shall include the following:

- (1) Goals, expressed in terms of percentages of total planned subcontracting dollars, for the use of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns as subcontractors. The offeror shall include all subcontracts that contribute to contract performance, and may include a proportionate share of products and services that are normally allocated as indirect costs.

SECTION I
Exhibit 2
CONTRACT CLAUSES

- (2) A statement of--
- (i) Total dollars planned to be subcontracted for an individual contract plan; or the offeror's total projected sales, expressed in dollars, and the total value of projected subcontracts to support the sales for a commercial plan;
 - (ii) Total dollars planned to be subcontracted to small business concerns;
 - (iii) Total dollars planned to be subcontracted to veteran-owned small business concerns;
 - (iv) Total dollars planned to be subcontracted to service-disabled veteran-owned small business;
 - (v) Total dollars planned to be subcontracted to HUBZone small business concerns;
 - (vi) Total dollars planned to be subcontracted to small disadvantaged business concerns; and
 - (vii) Total dollars planned to be subcontracted to women-owned small business concerns.
- (3) A description of the principal types of supplies and services to be subcontracted, and an identification of the types planned for subcontracting to--
- (i) Small business concerns;
 - (ii) Veteran-owned small business concerns;
 - (iii) Service-disabled veteran-owned small business concerns;
 - (iv) HUBZone small business concerns;
 - (v) Small disadvantaged business concerns; and
 - (vi) Women-owned small business concerns.
- (4) A description of the method used to develop the subcontracting goals in paragraph (d) (1) of this clause.
- (5) A description of the method used to identify potential sources for solicitation purposes (e.g., existing company source lists, the Procurement Marketing and Access Network (PRO-Net) of the Small Business Administration (SBA), veterans service organizations, the National Minority Purchasing Council Vendor Information Service, the Research and Information Division of the Minority Business Development Agency in the Department of Commerce, or small, HUBZone, small disadvantaged, and women-owned small business trade associations). A firm may rely on the information contained in PRO-Net as an accurate representation of a concern's size and ownership characteristics for the purposes of maintaining a small, veteran-owned small, service-disabled veteran-owned small, HUBZone small, small disadvantaged, and women-owned small business source list. Use of PRO-Net as its source list does not relieve a firm of its responsibilities (e.g., outreach, assistance, counseling, or publicizing subcontracting opportunities) in this clause.
- (6) A statement as to whether or not the offeror included indirect costs in establishing subcontracting goals, and
- a description of the method used to determine the proportionate share of indirect costs to be incurred with--
- (i) Small business concerns;
 - (ii) Veteran-owned small business concerns;
 - (iii) Service-disabled veteran-owned small business concerns;

SECTION I
Exhibit 2
CONTRACT CLAUSES

- (iv) HUBZone small business concerns;
- (v) Small disadvantaged business concerns; and
- (vi) Women-owned small business concerns.
- (7) The name of the individual employed by the offeror who will administer the offeror's subcontracting program, and a description of the duties of the individual.
- (8) A description of the efforts the offeror will make to assure that small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns have an equitable opportunity to compete for subcontracts.
- (9) Assurances that the offeror will include the clause of this contract entitled "Utilization of Small Business Concerns" in all subcontracts that offer further subcontracting opportunities, and that the offeror will require all subcontractors (except small business concerns) that receive subcontracts in excess of \$500,000 (\$1,000,000 for construction of any public facility) to adopt a subcontracting plan that complies with the requirements of this clause.
- (10) Assurances that the offeror will--
 - (i) Cooperate in any studies or surveys as may be required;
 - (ii) Submit periodic reports so that the Government can determine the extent of compliance by the offeror with the subcontracting plan;
 - (iii) Submit Standard Form (SF) 294, Subcontracting Report for Individual Contracts, and/or SF 295, Summary Subcontract Report, in accordance with paragraph (j) of this clause. The reports shall provide information on subcontract awards to small business concerns, veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns, women-owned small business concerns, and Historically Black Colleges and Universities and Minority Institutions. Reporting shall be in accordance with the instructions on the forms or as provided in agency regulations.
 - (iv) Ensure that its subcontractors agree to submit SF 294 and SF 295.
- (11) A description of the types of records that will be maintained concerning procedures that have been adopted to comply with the requirements and goals in the plan, including establishing source lists; and a description of the offeror's efforts to locate small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns and award subcontracts to them. The records shall include at least the following (on a plant-wide or company-wide basis, unless otherwise indicated):
 - (i) Source lists (e.g., PRO-Net), guides, and other data that identify small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns.
 - (ii) Organizations contacted in an attempt to locate

SECTION I
Exhibit 2
CONTRACT CLAUSES

sources that are small business, veteran-owned small business, service-disabled veteran-owned small

business, HUBZone small business, small disadvantaged business, or women-owned small business concerns.

- (iii) Records on each subcontract solicitation resulting in an award of more than \$100,000, indicating--
 - (A) Whether small business concerns were solicited and, if not, why not;
 - (B) Whether veteran-owned small business concerns were solicited and, if not, why not;
 - (C) Whether service-disabled veteran-owned small business concerns were solicited and, if not, why not;
 - (D) Whether HUBZone small business concerns were solicited and, if not, why not;
 - (E) Whether small disadvantaged business concerns were solicited and, if not, why not;
 - (F) Whether women-owned small business concerns were solicited and, if not, why not; and
 - (G) If applicable, the reason award was not made to a small business concern.
 - (iv) Records of any outreach efforts to contact--
 - (A) Trade associations;
 - (B) Business development organizations;
 - (C) Conferences and trade fairs to locate small, HUBZone small, small disadvantaged, and women-owned small business sources; and
 - (D) Veterans service organizations.
 - (v) Records of internal guidance and encouragement provided to buyers through--
 - (A) Workshops, seminars, training, etc.; and
 - (B) Monitoring performance to evaluate compliance with the program's requirements.
 - (vi) On a contract-by-contract basis, records to support award data submitted by the offeror to the Government, including the name, address, and business size of each subcontractor. Contractors having commercial plans need not comply with this requirement.
- (e) In order to effectively implement this plan to the extent consistent with efficient contract performance, the Contractor shall perform the following functions:
- (1) Assist small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns by arranging solicitations, time for the preparation of bids, quantities, specifications, and delivery schedules so as to facilitate the participation by such concerns. Where the Contractor's lists of potential small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business subcontractors are excessively long, reasonable effort shall be made to give all such small business concerns an opportunity to compete over a period of time.
 - (2) Provide adequate and timely consideration of the potentialities of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns in all "make-or-buy" decisions.

SECTION I
CONTRACT CLAUSES

- (3) Counsel and discuss subcontracting opportunities with representatives of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business firms.
- (4) Provide notice to subcontractors concerning penalties and remedies for misrepresentations of business status as small, veteran-owned small business, HUBZone small, small disadvantaged, or women-owned small business for the purpose of obtaining a subcontract that is to be included as part or all of a goal contained in the Contractor's subcontracting plan.
 - (f) A master plan on a plant or division-wide basis that contains all the elements required by paragraph (d) of this clause, except goals, may be incorporated by reference as a part of the subcontracting plan required of the offeror by this clause; provided--
 - (1) The master plan has been approved;
 - (2) The offeror ensures that the master plan is updated as necessary and provides copies of the approved master plan, including evidence of its approval, to the Contracting Officer; and
 - (3) Goals and any deviations from the master plan deemed necessary by the Contracting Officer to satisfy the requirements of this contract are set forth in the individual subcontracting plan.
 - (g) A commercial plan is the preferred type of subcontracting plan for contractors furnishing commercial items. The commercial plan shall relate to the offeror's planned subcontracting generally, for both commercial and Government business, rather than solely to the Government contract. Commercial plans are also preferred for subcontractors that provide commercial items under a prime contract, whether or not the prime contractor is supplying a commercial item.
 - (h) Prior compliance of the offeror with other such subcontracting plans under previous contracts will be considered by the Contracting Officer in determining the responsibility of the offeror for award of the contract.
 - (i) The failure of the Contractor or subcontractor to comply in good faith with--
 - (1) The clause of this contract entitled "Utilization Of Small Business Concerns;" or
 - (2) An approved plan required by this clause, shall be a material breach of the contract.
 - (j) The Contractor shall submit the following reports:
 - (1) Standard Form 294, Subcontracting Report for Individual Contracts. This report shall be submitted to the Contracting Officer semiannually and at contract completion. The report covers subcontract award data related to this contract. This report is not required for commercial plans.
 - (2) Standard Form 295, Summary Subcontract Report. This report encompasses all of the contracts with the awarding agency. It must be submitted semi-annually for contracts with the Department of Defense and annually for contracts with civilian agencies. If the reporting activity is covered by a commercial plan, the reporting activity must report annually all subcontract awards under that plan. All reports submitted at the close of each fiscal year (both individual and commercial plans) shall include a breakout, in the Contractor's format, of subcontract awards, in whole dollars, to small disadvantaged business concerns by North American Industry Classification System (NAICS) Industry Subsector. For a commercial plan, the Contractor may obtain from each of its subcontractors a predominant

SECTION I
Exhibit 2
CONTRACT CLAUSES

NAICS Industry Subsector and report all awards to that subcontractor under its predominant NAICS Industry Subsector.

I.36 52.219-16 LIQUIDATED DAMAGES--SUBCONTRACTING PLAN (JAN 1999)

(a) "Failure to make a good faith effort to comply with the subcontracting plan", as used in this clause, means a willful or intentional failure to perform in accordance with the requirements of the subcontracting plan approved under the clause in this contract entitled "Small Business Subcontracting Plan," or willful or intentional action to frustrate the plan.

(b) Performance shall be measured by applying the percentage goals to the total actual subcontracting dollars or, if a commercial plan is involved, to the pro rata share of actual subcontracting dollars attributable to Government contracts covered by the commercial plan. If, at contract completion or, in the case of a commercial plan, at the close of the fiscal year for which the plan is applicable, the Contractor has failed to meet its subcontracting goals and the Contracting Officer decides in accordance with paragraph (c) of this clause that the Contractor failed to make a good faith effort to comply with its subcontracting plan, established in accordance with the clause in this contract entitled "Small Business Subcontracting Plan," the Contractor shall pay the Government liquidated damages in an amount stated. The amount of probable damages attributable to the Contractor's failure to comply shall be an amount equal to the actual dollar amount by which the Contractor failed to achieve each subcontract goal.

(c) Before the Contracting Officer makes a final decision that the Contractor has failed to make such good faith effort, the Contracting Officer shall give the Contractor written notice specifying the failure and permitting the Contractor to demonstrate what good faith efforts have been made and to discuss the matter. Failure to respond to the notice may be taken as an admission that no valid explanation exists. If, after consideration of all the pertinent data, the Contracting Officer finds that the Contractor failed to make a good faith effort to comply with the subcontracting plan, the Contracting Officer shall issue a final decision to that effect and require that the Contractor pay the Government liquidated damages as provided in paragraph (b) of this clause.

(d) With respect to commercial plans, the Contracting Officer who approved the plan will perform the functions of the Contracting Officer under this clause on behalf of all agencies with contracts covered by the commercial plan.

(e) The Contractor shall have the right of appeal, under the clause in this contract entitled, Disputes, from any final decision of the Contracting Officer.

(f) Liquidated damages shall be in addition to any other remedies that the Government may have.

I.37 52.222-3 CONVICT LABOR (JUNE 2003)

(a) Except as provided in paragraph (b) of this clause, the Contractor shall not employ in the performance of this contract any person undergoing a sentence of imprisonment imposed by any court of a State, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, or the U.S. Virgin Islands.

(b) The Contractor is not prohibited from employing persons--

- (1) On parole or probation to work at paid employment during the term of their sentence;
- (2) Who have been pardoned or who have served their terms; or
- (3) Confined for violation of the laws of any of the States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, or the U.S. Virgin Islands who are authorized to work at paid employment in

SECTION I
Exhibit 2
CONTRACT CLAUSES

the community under the laws of such jurisdiction, if--

- (i) The worker is paid or is in an approved work training program on a voluntary basis;
- (ii) Representatives of local union central bodies or similar labor union organizations have been consulted;
- (iii) Such paid employment will not result in the displacement of employed workers, or be applied in skills, crafts, or trades in which there is a surplus of available gainful labor in the locality, or impair existing contracts for services;
- (iv) The rates of pay and other conditions of employment will not be less than those paid or provided for work of a similar nature in the locality in which the work is being performed; and
- (v) The Attorney General of the United States has certified that the work-release laws or regulations of the jurisdiction involved are in conformity with the requirements of Executive Order 11755, as amended by Executive Orders 12608 and 12943.

I.38 52.222-21 PROHIBITION OF SEGREGATED FACILITIES (FEB 1999)

(a) "Segregated facilities," as used in this clause, 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, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex, or national origin because of written or oral policies or employee custom. The term does not include separate or single-user rest rooms or necessary dressing or sleeping areas provided to assure privacy between the sexes.

(b) The Contractor agrees that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The Contractor agrees that a breach of this clause is a violation of the Equal Opportunity clause in this contract.

(c) The Contractor shall include this clause in every subcontract and purchase order that is subject to the Equal Opportunity clause of this contract.

I.39 52.222-37 EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS (DEC 2001)

(a) Unless the Contractor is a State or local government agency, the Contractor shall report at least annually, as required by the Secretary of Labor, on--

- (1) The number of special disabled veterans, the number of veterans of the Vietnam era, and other eligible veterans in the workforce of the Contractor by job category and hiring location; and
- (2) The total number of new employees hired during the period covered by the report, and of the total, the number of special disabled veterans, the number of veterans of the Vietnam era, and the number of other eligible veterans; and
- (3) The maximum number and the minimum number of employees of the Contractor during the period covered by the report.

SECTION I
CONTRACT CLAUSES

(b) The Contractor shall report the above items by completing the Form VETS-100, entitled "Federal Contractor Veterans' Employment Report (VETS-100 Report)".

(c) The Contractor shall submit VETS-100 Reports no later than September 30 of each year beginning September 30, 1988.

(d) The employment activity report required by paragraph (a) (2) of this clause shall reflect total hires during the most recent 12-month period as of the ending date selected for the employment profile report required by paragraph

(a) (1) of this clause. Contractors may select an ending date--

- (1) As of the end of any pay period between July 1 and August 31 of the year the report is due; or
- (2) As of December 31, if the Contractor has prior written approval from the Equal Employment Opportunity Commission to do so for purposes of submitting the Employer Information Report EEO-1 (Standard Form 100).

(e) The Contractor shall base the count of veterans reported according to paragraph (a) of this clause on voluntary disclosure. Each Contractor subject to the reporting requirements at 38 U.S.C. 4212 shall invite all special disabled veterans, veterans of the Vietnam era, and other eligible veterans who wish to benefit under the affirmative action program at 38 U.S.C. 4212 to identify themselves to the Contractor. The invitation shall state that--

- (1) The information is voluntarily provided;
- (2) The information will be kept confidential;
- (3) Disclosure or refusal to provide the information will not subject the applicant or employee to any adverse treatment; and
- (4) The information will be used only in accordance with the regulations promulgated under 38 U.S.C. 4212.

(f) The Contractor shall insert the terms of this clause in all subcontracts or purchase orders of \$25,000 or more unless exempted by rules, regulations, or orders of the Secretary of Labor.

I.40 52.222-39 NOTIFICATION OF EMPLOYEE RIGHTS CONCERNING PAYMENT OF UNION DUES OR FEES (Dec 2004)

(a) "Definition." As used in this clause-- "United States" means the 50 States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, and Wake Island.

(b) Except as provided in paragraph (e) of this clause, during the term of this contract, the Contractor shall post a notice, in the form of a poster, informing employees of their rights concerning union membership and payment of union dues and fees, in conspicuous places in and about all its plants and offices, including all places where notices to employees are customarily posted. The notice shall include the following information (except that the information pertaining to National Labor Relations Board shall not be included in notices posted in the plants or offices of carriers subject to the Railway Labor Act, as

amended (45 U.S.C. 151-188)). Notice to Employees Under Federal law, employees cannot be required to join a union or maintain membership in a union in order to retain their jobs. Under certain conditions, the law permits a union and an employer to enter into a union-security agreement requiring employees to pay uniform periodic dues and initiation fees. However, employees who are not union members can object to the use of their payments for certain purposes and can only be required to pay their share of union costs relating to collective bargaining, contract administration, and grievance adjustment. If you do not want to pay that portion of dues or fees used to support activities not related to collective bargaining, contract administration, or grievance adjustment, you

SECTION I
Exhibit 2
CONTRACT CLAUSES

are entitled to an appropriate reduction in your payment. If you believe that you have been required to pay dues or fees used in part to support activities not related to collective bargaining, contract administration, or grievance

adjustment, you may be entitled to a refund and to an appropriate reduction in future payments. For further information concerning your rights, you may wish to contact the National Labor Relations Board (NLRB) either at one of its Regional offices or at the following address or toll free number:

National Labor Relations Board Division of Information 1099 14th Street, N.W. Washington, DC 20570 1-866-667-6572 1-866-316-6572 (TTY) To locate the nearest NLRB office, see NLRB's website at <http://www.nlr.gov>.

(c) The Contractor shall comply with all provisions of Executive Order 13201 of February 17, 2001, and related implementing regulations at 29 CFR part 470, and orders of the Secretary of Labor.

(d) In the event that the Contractor does not comply with any of the requirements set forth in paragraphs (b), (c), or (g), the Secretary may direct that this contract be cancelled, terminated, or suspended in whole or in part, and declare the Contractor ineligible for further Government contracts in accordance with procedures at 29 CFR part 470, Subpart B-Compliance Evaluations, Complaint Investigations and Enforcement Procedures. Such other sanctions or remedies may be imposed as are provided by 29 CFR part 470, which implements Executive Order 13201, or as are otherwise provided by law.

(e) The requirement to post the employee notice in paragraph (b) does not apply to--

- (1) Contractors and subcontractors that employ fewer than 15 persons;
- (2) Contractor establishments or construction work sites where no union has been formally recognized by the Contractor or certified as the exclusive bargaining representative of the Contractor's employees;
- (3) Contractor establishments or construction work sites located in a jurisdiction named in the definition of the United States in which the law of that jurisdiction forbids enforcement of union-security agreements;
- (4) Contractor facilities where upon the written request of the Contractor, the Department of Labor Deputy Assistant Secretary for Labor-Management Programs has waived the posting requirements with respect to any of the Contractor's facilities if the Deputy Assistant Secretary finds that the Contractor has demonstrated that--

- (i) The facility is in all respects separate and distinct from activities of the Contractor related to the performance of a contract; and
 - (ii) Such a waiver will not interfere with or impede the effectuation of the Executive order; or
- (5) Work outside the United States that does not involve the recruitment or employment of workers within the United States.

(f) The Department of Labor publishes the official employee notice in two variations; one for contractors covered by the Railway Labor Act and a second for all other contractors. The Contractor shall--

- (1) Obtain the required employee notice poster from the Division of Interpretations and Standards, Office of Labor-Management Standards, U.S. Department of Labor, 200 Constitution Avenue, NW, Room N-5605, Washington, DC 20210, or from any field office of the Department's Office of Labor-Management Standards or Office of Federal Contract Compliance Programs;
- (2) Download a copy of the poster from the Office of Labor-Management Standards website at

SECTION I
Exhibit 2
CONTRACT CLAUSES

- <http://www.olms.dol.gov>; or
- (3) Reproduce and use exact duplicate copies of the Department of Labor's official poster.

(g) The Contractor shall include the substance of this clause in every subcontract or purchase order that exceeds the simplified acquisition threshold, entered into in connection with this contract, unless exempted by the Department of Labor Deputy Assistant Secretary for Labor-Management Programs on account of special circumstances in the national interest under authority of 29 CFR 470.3(c). For indefinite quantity subcontracts, the Contractor shall include the substance of this clause if the value of orders in any calendar year of the subcontract is expected to exceed the simplified acquisition threshold. Pursuant to 29 CFR part 470, Subpart B-Compliance Evaluations, Complaint Investigations and Enforcement Procedures, the Secretary of Labor may direct the Contractor to take such action in the enforcement of these regulations, including the imposition of sanctions for noncompliance with respect to any such subcontract or purchase order. If the Contractor becomes involved in litigation with a subcontractor or vendor, or is threatened with such involvement, as a result of such direction, the Contractor may request the United States, through the Secretary of Labor, to enter into such litigation to protect the interests of the United States.

I.41 52.223-6 DRUG-FREE WORKPLACE (MAY 2001)

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

"Controlled substance" means a controlled substance in schedules I through V of section 202 of the Controlled Substances Act (21 U.S.C. 812) and as further defined in regulation at 21 CFR 1308.11 - 1308.15.

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes.

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, possession, or use of any controlled substance.

"Drug-free workplace" means the site(s) for the performance of work done by the Contractor in connection with a specific contract where employees of the Contractor are prohibited from engaging in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance.

"Employee" means an employee of a Contractor directly engaged in the performance of work under a Government contract. "Directly engaged" is defined to include all direct cost employees and any other Contractor employee who has other than a minimal impact or involvement in contract performance.

"Individual" means an offeror/contractor that has no more than one employee including the offeror/contractor.

(b) The Contractor, if other than an individual, shall- within 30 days after award (unless a longer period is agreed to in writing for contracts of 30 days

or more performance duration), or as soon as possible for contracts of less than 30 days performance duration--

- (1) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition;
- (2) Establish an ongoing drug-free awareness program to inform such employees about--
 - (i) The dangers of drug abuse in the workplace;

SECTION I
Exhibit 2
CONTRACT CLAUSES

- (ii) The Contractor's policy of maintaining a drug-free workplace;
 - (iii) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (iv) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- (3) Provide all employees engaged in performance of the contract with a copy of the statement required by paragraph (b) (1) of this clause;
- (4) Notify such employees in writing in the statement required by paragraph (b) (1) of this clause that, as a condition of continued employment on this contract, the employee will--
- (i) Abide by the terms of the statement; and
 - (ii) Notify the employer in writing of the employee's conviction under a criminal drug statute for a violation occurring in the workplace no later than 5 days after such conviction;
- (5) Notify the Contracting Officer in writing within 10 days after receiving notice under subdivision (b) (4) (ii) of this clause, from an employee or otherwise receiving actual notice of such conviction. The notice shall include the position title of the employee;
- (6) Within 30 days after receiving notice under subdivision (b) (4) (ii) of this clause of a conviction, take one of the following actions with respect to any employee who is convicted of a drug abuse violation occurring in the workplace:
- (i) Taking appropriate personnel action against such employee, up to and including termination; or
 - (ii) Require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency; and
- (7) Make a good faith effort to maintain a drug-free workplace through implementation of paragraphs (b) (1) through (b) (6) of this clause.
- (c) The Contractor, if an individual, agrees by award of the contract or acceptance of a purchase order, not to engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance while performing this contract.
- (d) In addition to other remedies available to the Government, the Contractor's failure to comply with the requirements of paragraph (b) or (c) of this clause may, pursuant to FAR 23.506, render the Contractor subject to suspension of contract payments, termination of the contract or default, and suspension or debarment.

I.42 52.223-14 TOXIC CHEMICAL RELEASE REPORTING (AUG 2003)

(a) Unless otherwise exempt, the Contractor, as owner or operator of a facility used in the performance of this contract, shall file by July 1 for the prior calendar year an annual Toxic Chemical Release Inventory Form (Form R) as described in sections 313(a) and (g) of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) (42 U.S.C. 11023(a) and (g)), and section 6607 of the Pollution Prevention Act of 1990 (PPA) (42 U.S.C. 13106). The Contractor shall file, for each facility subject to the Form R filing and reporting requirements, the annual Form R throughout the life of the contract.

SECTION I
Exhibit 2
CONTRACT CLAUSES

- (b) A Contractor-owned or -operated facility used in the performance of this contract is exempt from the requirement to file an annual Form R if--
- (1) The facility does not manufacture, process, or otherwise use any toxic chemicals listed in 40 CFR 372.65;
 - (2) The facility does not have 10 or more full-time employees as specified in section 313(b)(1)(A) of EPCRA, 42 U.S.C. 11023(b)(1)(A);
 - (3) The facility does not meet the reporting thresholds of toxic chemicals established under section 313(f) of EPCRA, 42 U.S.C. 11023(f) (including the alternate thresholds at 40 CFR 372.27, provided an appropriate certification form has been filed with EPA);
 - (4) The facility does not fall within the following Standard Industrial Classification (SIC) codes or their corresponding North American Industry Classification System sectors:
 - (i) Major group code 10 (except 1011, 1081, and 1094.
 - (ii) Major group code 12 (except 1241).
 - (iii) Major group codes 20 through 39.
 - (iv) Industry code 4911, 4931, or 4939 (limited to facilities that combust coal and/or oil for the purpose of generating power for distribution in commerce).
 - (v) Industry code 4953 (limited to facilities regulated under the Resource Conservation and Recovery Act, Subtitle C (42 U.S.C. 6921, et seq.)), or 5169, or 5171, or 7389 (limited to facilities primarily engaged in solvent recovery services on a contract or fee basis); or
 - (5) The facility is not located in the United States or its outlying areas.
- (c) If the Contractor has certified to an exemption in accordance with one or more of the criteria in paragraph (b) of this clause, and after award of the contract circumstances change so that any of its owned or operated facilities used in the performance of this contract is no longer exempt--
- (1) The Contractor shall notify the Contracting Officer; and
 - (2) The Contractor, as owner or operator of a facility used in the performance of this contract that is no longer exempt, shall--
 - (i) Submit a Toxic Chemical Release Inventory Form (Form R) on or before July 1 for the prior calendar year during which the facility becomes eligible; and
 - (ii) Continue to file the annual Form R for the life of the contract for such facility.
- (d) The Contracting Officer may terminate this contract or take other action as appropriate, if the Contractor fails to comply accurately and fully with the EPCRA and PPA toxic chemical release filing and reporting requirements.
- (e) Except for acquisitions of commercial items as defined in FAR Part 2, the Contractor shall--
- (1) For competitive subcontracts expected to exceed \$100,000 (including all options), include a solicitation provision substantially the same as the provision at FAR 52.223-13, Certification of Toxic Chemical Release Reporting; and
 - (2) Include in any resultant subcontract exceeding \$100,000 (including all options), the substance of this clause, except this paragraph (e).

SECTION I
Exhibit 2
CONTRACT CLAUSES

I.43 52.225-13 RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (DEC 2003)

(a) Except as authorized by the Office of Foreign Assets Control (OFAC) in the Department of the Treasury, the Contractor shall not acquire, for use in the performance of this contract, any supplies or services if any proclamation, Executive order, or statute administered by OFAC, or if OFAC's implementing regulations at 31 CFR chapter V, would prohibit such a transaction by a person subject to the jurisdiction of the United States.

(b) Except as authorized by OFAC, most transactions involving Cuba, Iran, Libya, and Sudan are prohibited, as are most imports from North Korea, into the United States or its outlying areas. Lists of entities and individuals subject to economic sanctions are included in OFAC's List of Specially Designated Nationals and Blocked Persons at <http://www.epls.gov/TerList1.html>. More information about these restrictions, as well as updates, is available in the OFAC's regulations at 31 CFR chapter V and/or on OFAC's website at <http://www.treas.gov/ofac>.

(c) The Contractor shall insert this clause, including this paragraph (c), in all subcontracts.

I.44 52.225-16 SANCTIONED EUROPEAN UNION COUNTRY SERVICES (FEB 2000)

(a) "Definition." "Sanctioned European Union member state," as used in this clause, means Austria, Belgium, Denmark, Finland, France, Ireland, Italy, Luxembourg, the Netherlands, Sweden, or the United Kingdom.

(b) The Contractor shall not perform services under this contract in a sanctioned European Union member state. This prohibition does not apply to subcontracts.

I.45 52.227-1 AUTHORIZATION AND CONSENT (JUL 1995)

(a) The Government authorizes and consents to all use and manufacture, in performing this contract or any subcontract at any tier, of any invention described in and covered by a United States patent

- (1) embodied in the structure or composition of any article the delivery of which is accepted by the Government under this contract or
- (2) used in machinery, tools, or methods whose use necessarily results from compliance by the Contractor or a subcontractor with
 - (i) specifications or written provisions forming a part of this contract or
 - (ii) specific written instructions given by the Contracting Officer directing the manner of performance. The entire liability to the Government for infringement of a patent of the United States shall be determined solely

by the provisions of the indemnity clause, if any, included in this contract or any subcontract hereunder (including any lower-tier subcontract), and the Government assumes liability for all other infringement to the extent of the authorization and consent hereinabove granted.

(b) The Contractor agrees to include, and require inclusion of, this clause, suitably modified to identify the parties, in all subcontracts at any tier for supplies or services (including construction, architect-engineer services, and materials, supplies, models, samples, and design or testing services expected to exceed the simplified acquisition threshold); however, omission of this clause from any subcontract, including those at or below the simplified acquisition threshold, does not affect this authorization and consent.

SECTION I
Exhibit 2
CONTRACT CLAUSES

I.46 52.227-17 RIGHTS IN DATA--SPECIAL WORKS (JUN 1987)

(a) "Definitions."

"Data," as used in this clause, means recorded information regardless of form or the medium on which it may be recorded. The term includes technical data and computer software. The term does not include information incidental to contract administration, such as financial, administrative, cost or pricing or management information.

"Unlimited rights," as used in this clause, means the right of the Government to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, in any manner and for any purpose whatsoever, and to have or permit others to do so.

(b) "Allocation of Rights."

(1) The Government shall have--

- (i) Unlimited rights in all data delivered under this contract, and in all data first produced in the performance of this contract, except as provided in paragraph (c) of this clause for copyright.
- (ii) The right to limit exercise of claim to copyright in data first produced in the performance of this contract, and to obtain assignment of copyright in such data, in accordance with paragraph (c) (1) of this clause.
- (iii) The right to limit the release and use of certain data in accordance with paragraph (d) of this clause.

- (2) The Contractor shall have, to the extent permission is granted in accordance with paragraph (c) (1) of this clause, the right to establish claim to copyright subsisting in data first produced in the performance of this contract.

(c) "Copyright"--

(1) "Data first produced in the performance of this contract."

- (i) The Contractor agrees not to assert, establish, or authorize others to assert or establish, any claim to copyright subsisting in any data first produced in the performance of this contract without prior written permission of the Contracting Officer. When claim to copyright is made, the Contractor shall affix the appropriate copyright notice of 17 U.S.C. 401 or 402 and acknowledgment of Government sponsorship (including contract number) to such data when delivered to the Government, as well as when the data are published or deposited for registration as a published work in the U.S. Copyright Office. The Contractor grants to the Government, and others acting on its behalf, a paid-up nonexclusive, irrevocable, worldwide license for all such data to reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, by or on behalf of the Government.
- (ii) If the Government desires to obtain copyright in data first produced in the performance of this contract and permission has not been granted as set forth in subdivision (c) (1) (i) of this clause, the Contracting Officer may direct the Contractor to establish, or authorize the establishment of, claim to copyright in such data and to assign, or obtain the assignment of,

SECTION I
Exhibit 2
CONTRACT CLAUSES

such copyright to the Government or its designated assignee.

- (2) "Data not first produced in the performance of this contract." The Contractor shall not, without prior written permission of the Contracting Officer, incorporate in data delivered under this contract any data not first produced in the performance of this contract and which contain the copyright notice of 17 U.S.C. 401 or 402, unless the Contractor identifies such data and grants to the Government, or acquires on its behalf, a license of the same scope as set forth in paragraph (c)(1) of this clause.

(d) "Release and use restrictions." Except as otherwise specifically provided for in this contract, the Contractor shall not use for purposes other than the performance of this contract, nor shall the Contractor release, reproduce, distribute, or publish any data first produced in the performance of this contract, nor authorize others to do so, without written permission of the Contracting Officer.

(e) "Indemnity." The Contractor shall indemnify the Government and its officers, agents, and employees acting for the Government against any liability, including costs and expenses, incurred as the result of the violation of trade secrets, copyrights, or right of privacy or publicity, arising out of the creation, delivery, publication, or use of any data furnished under this contract; or any libelous or other unlawful matter contained in such data. The provisions of this paragraph do not apply unless the Government provides notice to the Contractor as soon as practicable of any claim or suit, affords the Contractor an opportunity under applicable laws, rules, or regulations to participate in the defense thereof, and obtains the Contractor's consent to the settlement of any suit or claim other than as required by final decree of a court of competent jurisdiction; nor do these provisions apply to material furnished to the Contractor by the Government and incorporated in data to which this clause applies.

I.47 52.229-3 FEDERAL, STATE, AND LOCAL TAXES (APRIL 2003)

(a) As used in this clause--

"After-imposed Federal tax" means any new or increased Federal excise tax or duty, or tax that was exempted or excluded on the contract date but whose exemption was later revoked or reduced during the contract period, on the transactions or property covered by this contract that the Contractor is required to pay or bear as the result of legislative, judicial, or administrative action taking effect after the contract date. It does not include social security tax or other employment taxes.

"After-relieved Federal tax" means any amount of Federal excise tax or duty, except social security or other employment taxes, that would otherwise have been payable on the transactions or property covered by this contract, but which the Contractor is not required to pay or bear, or for which the Contractor obtains a refund or drawback, as the result of legislative, judicial, or administrative action taking effect after the contract date.

"All applicable Federal, State, and local taxes and duties" means all taxes and duties, in effect on the contract date, that the taxing authority is imposing and collecting on the transactions or property covered by this contract.

"Contract date" means the date set for bid opening or, if this is a negotiated contract or a modification, the effective date of this contract or modification.

"Local taxes" includes taxes imposed by a possession or territory of the United States, Puerto Rico, or the Northern Mariana Islands, if the contract is performed wholly or partly in any of those areas.

(b) The contract price includes all applicable Federal, State, and local taxes and duties.

SECTION I
EXHIBIT 2
CONTRACT CLAUSES

(c) The contract price shall be increased by the amount of any after-imposed Federal tax, provided the Contractor warrants in writing that no amount for such newly imposed Federal excise tax or duty or rate increase was included in the contract price, as a contingency reserve or otherwise.

(d) The contract price shall be decreased by the amount of any after-relieved Federal tax.

(e) The contract price shall be decreased by the amount of any Federal excise tax or duty, except social security or other employment taxes, that the Contractor is required to pay or bear, or does not obtain a refund of, through the Contractor's fault, negligence, or failure to follow instructions of the Contracting Officer.

(f) No adjustment shall be made in the contract price under this clause unless the amount of the adjustment exceeds \$250.

(g) The Contractor shall promptly notify the Contracting Officer of all matters relating to any Federal excise tax or duty that reasonably may be expected to result in either an increase or decrease in the contract price and shall take appropriate action as the Contracting Officer directs.

(h) The Government shall, without liability, furnish evidence appropriate to establish exemption from any Federal, State, or local tax when the Contractor requests such evidence and a reasonable basis exists to sustain the exemption.

I.48 52.232-10 PAYMENTS UNDER FIXED-PRICE ARCHITECT-ENGINEER CONTRACTS (AUG 1987)

(a) Estimates shall be made monthly of the amount and value of the work and services performed by the Contractor under this contract which meet the standards of quality established under this contract. The estimates shall be prepared by the Contractor and accompanied by any supporting data required by the Contracting Officer.

(b) Upon approval of the estimate by the Contracting Officer, payment upon properly executed vouchers shall be made to the Contractor, as soon as practicable, of 90 percent of the approved amount, less all previous payments; provided, that payment may be made in full during any months in which the Contracting Officer determines that performance has been satisfactory. Also, whenever the Contracting Officer determines that the work is substantially complete and that the amount retained is in excess of the amount adequate for the protection of the Government, the Contracting Officer may release the excess amount to the Contractor.

(c) Upon satisfactory completion by the Contractor and acceptance by the Contracting Officer of the work done by the Contractor under the "Statement of Architect-Engineer Services", the Contractor will be paid the unpaid balance of any money due for work under the statement, including retained percentages relating to this portion of the work. Upon satisfactory completion and final acceptance of the construction work, the Contractor shall be paid any unpaid balance of money due under this contract.

(d) Before final payment under the contract, or before settlement upon termination of the contract, and as a condition precedent thereto, the Contractor shall execute and deliver to the Contracting Officer a release of all claims against the Government arising under or by virtue of this contract, other than any claims that are specifically excepted by the Contractor from the operation of the release in amounts stated in the release.

(e) Notwithstanding any other provision in this contract, and specifically paragraph (b) of this clause, progress payments shall not exceed 80 percent on work accomplished on undefinitized contract actions. A "contract action" is any action resulting in a contract, as defined in FAR Subpart 2.1, including contract modifications for additional supplies or services, but not including contract modifications that are within the scope and under the terms of the contract, such as contract modifications issued pursuant to the Changes clause, or funding and other administrative changes.

SECTION I
Exhibit 2
CONTRACT CLAUSES

I.49 52.232-17 INTEREST (JUNE 1996)

(a) Except as otherwise provided in this contract under a Price Reduction for Defective Cost or Pricing Data clause or a Cost Accounting Standards clause, all amounts that become payable by the Contractor to the Government under this contract (net of any applicable tax credit under the Internal Revenue Code (26 U.S.C. 1481)) shall bear simple interest from the date due until paid unless paid within 30 days of becoming due. The interest rate shall be the interest rate established by the Secretary of the Treasury as provided in Section 12 of the Contract Disputes Act of 1978 (Public Law 95-563), which is applicable to the period in which the amount becomes due, as provided in paragraph (b) of this clause, and then at the rate applicable for each six-month period as fixed by the Secretary until the amount is paid.

(b) Amounts shall be due at the earliest of the following dates:

- (1) The date fixed under this contract.
- (2) The date of the first written demand for payment consistent with this contract, including any demand resulting from a default termination.
- (3) The date the Government transmits to the Contractor a proposed supplemental agreement to confirm completed negotiations establishing the amount of debt.
- (4) If this contract provides for revision of prices, the date of written notice to the Contractor stating the amount of refund payable in connection with a pricing proposal or a negotiated pricing agreement not confirmed by contract modification.

(c) The interest charge made under this clause may be reduced under the procedures prescribed in 32.614-2 of the Federal Acquisition Regulation in effect on the date of this contract.

I.50 52.232-23 ASSIGNMENT OF CLAIMS (JAN 1986)

(a) The Contractor, under the Assignment of Claims Act, as amended, 31 U.S.C. 3727, 41 U.S.C. 15 (hereafter referred to as "the Act"), may assign its rights to be paid amounts due or to become due as a result of the performance of this contract to a bank, trust company, or other financing institution, including any Federal lending agency. The assignee under such an assignment may thereafter further assign or reassign its right under the original assignment to any type of financing institution described in the preceding sentence.

(b) Any assignment or reassignment authorized under the Act and this clause shall cover all unpaid amounts payable under this contract, and shall not be made to more than one party, except that an assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in the financing of this contract.

(c) The Contractor shall not furnish or disclose to any assignee under this contract any classified document (including this contract) or information related to work under this contract until the Contracting Officer authorizes such action in writing.

I.51 52.232-26 PROMPT PAYMENT FOR FIXED-PRICE ARCHITECT-ENGINEER CONTRACTS (OCT 2003)

Notwithstanding any other payment terms in this contract, the Government will make invoice payments under the terms and conditions specified in this clause. The Government considers payment as being made on the day a check is dated or the date of an electronic funds transfer. Definitions of pertinent terms are set forth in sections 2.101, 32.001, and 32.902 of the Federal Acquisition Regulation. All days referred to in this clause are calendar days, unless

SECTION I
EXHIBIT 2
CONTRACT CLAUSES

otherwise specified. (However, see paragraph (a) (3) of this clause concerning payments due on Saturdays, Sundays, and legal holidays.)

(a) "Invoice payments"--

(1) "Due date." The due date for making invoice payments is--

(i) For work or services completed by the Contractor, the

later of the following two events:

- (A) The 30th day after the designated billing office receives a proper invoice from the Contractor (except as provided in paragraph (a) (1) (iii) of this clause).
- (B) The 30th day after Government acceptance of the work or services completed by the Contractor. For a final invoice, when the payment amount is subject to contract settlement actions (e.g., release of claims), acceptance is deemed to occur on the effective date of the settlement.

(ii) The due date for progress payments is the 30th day after Government approval of Contractor estimates of work or services accomplished.

(iii) If the designated billing office fails to annotate the invoice or payment request with the actual date of receipt at the time of receipt, the payment due date is the 30th day after the date of the Contractor's invoice or payment request, provided the designated billing office receives a proper invoice or payment request and there is no disagreement over quantity, quality, or Contractor compliance with contract requirements.

(2) "Contractor's invoice." The Contractor shall prepare and submit invoices to the designated billing office specified in the contract. A proper invoice must include the items listed in paragraphs (a) (2) (i) through (a) (2) (x) of this clause. If the invoice does not comply with these requirements, the designated billing office will return it within 7 days after receipt, with the reasons why it is not a proper invoice. When computing any interest penalty owed the Contractor, the Government will take into account if the Government notifies the Contractor of an improper

invoice in an untimely manner.

- (i) Name and address of the Contractor.
- (ii) Invoice date and invoice number. (The Contractor should date invoices as close as possible to the date of mailing or transmission.)
- (iii) Contract number or other authorization for work or services performed (including order number and contract line item number).
- (iv) Description of work or services performed.
- (v) Delivery and payment terms (e.g., discount for prompt payment terms).
- (vi) Name and address of Contractor official to whom payment is to be sent (must be the same as that in the contract or in a proper notice of assignment).
- (vii) Name (where practicable), title, phone number, and mailing address of person to notify in the event of a defective invoice.
- (viii) Taxpayer Identification Number (TIN). The Contractor shall include its TIN on the invoice only if required elsewhere in this contract.
- (ix) Electronic funds transfer (EFT) banking information.

SECTION I
Exhibit 2
CONTRACT CLAUSES

- (A) The Contractor shall include EFT banking information on the invoice only if required elsewhere in this contract.
 - (B) If EFT banking information is not required to be on the invoice, in order for the invoice to be a proper invoice, the Contractor shall have submitted correct EFT banking information in accordance with the applicable solicitation provision (e.g., 52.232-38, Submission of Electronic Funds Transfer Information with Offer), contract clause (e.g., 52.232-33, Payment by Electronic Funds Transfer--Central Contractor Registration, or 52.232-34, Payment by Electronic Funds Transfer--Other Than Central Contractor Registration), or applicable agency procedures.
 - (C) EFT banking information is not required if the Government waived the requirement to pay by EFT.
 - (x) Any other information or documentation required by the contract.
- (3) "Interest penalty." The designated payment office will pay an interest penalty automatically, without request from the Contractor, if payment is not made by the due date and the conditions listed in paragraphs (a)(3)(i) through (a)(3)(iii) of this clause are met, if applicable. However, when the due date falls on a Saturday, Sunday, or legal holiday, the designated payment office may make payment on the following working day without incurring a late payment interest penalty.
- (i) The designated billing office received a proper invoice.
 - (ii) The Government processed a receiving report or other Government documentation authorizing payment and there was no disagreement over quantity, quality, Contractor compliance with any contract term or condition, or requested progress payment amount.
 - (iii) In the case of a final invoice for any balance of funds due the Contractor for work or services performed, the amount was not subject to further contract settlement actions between the Government and the Contractor.
- (4) "Computing penalty amount." The Government will compute the interest penalty in accordance with the Office of Management and Budget prompt payment regulations at 5 CFR part 1315.
- (i) For the sole purpose of computing an interest penalty that might be due the Contractor, Government acceptance or approval is deemed to occur constructively as shown in paragraphs (a)(4)(i)(A) and (B) of this clause. If actual acceptance or approval occurs within the constructive acceptance or approval period, the Government will base the determination of an interest penalty on the actual date of acceptance or approval. Constructive acceptance or constructive approval requirements do not apply if there is a disagreement over quantity, quality, Contractor compliance with a contract provision, or requested progress payment amounts. These requirements also do not compel Government officials to accept work or services, approve Contractor estimates, perform contract administration functions, or make payment prior to fulfilling their responsibilities.
 - (A) For work or services completed by the Contractor, Government acceptance is deemed to occur constructively on the 7th day after the Contractor completes the work or services in accordance with the terms and conditions of the contract.
 - (B) For progress payments, Government approval is deemed to

SECTION I
Exhibit 2
CONTRACT CLAUSES

occur on the 7th day after the designated billing office receives the Contractor estimates.

- (ii) The prompt payment regulations at 5 CFR 1315.10(c) do not require the Government to pay interest penalties if payment delays are due to disagreement between the Government and the Contractor over the payment amount or other issues involving contract compliance, or on amounts temporarily withheld or retained in accordance with the terms of the contract. The Government and the Contractor shall resolve claims involving disputes, and any interest that may be payable in accordance with the clause at FAR 52.233-1, Disputes.
- (5) "Discounts for prompt payment." The designated payment office will pay an interest penalty automatically, without request from the Contractor, if the Government takes a discount for prompt payment improperly. The Government will calculate the interest penalty in accordance with 5 CFR part 1315.
- (6) "Additional interest penalty."
 - (i) The designated payment office will pay a penalty amount, calculated in accordance with the prompt payment regulations at 5 CFR part 1315, in addition to the interest penalty amount only if--
 - (A) The Government owes an interest penalty of \$1 or more;
 - (B) The designated payment office does not pay the interest penalty within 10 days after the date the invoice amount is paid; and
 - (C) The contractor makes a written demand to the designated payment office for additional penalty payment, in accordance with paragraph (a) (6) (ii) of this clause, postmarked not later than 40 days after the date the invoice amount is paid.
 - (ii)
 - (A) The Contractor shall support written demands for additional penalty payments with the following data. The Government will not request any additional data. The Contractor shall--
 - (1) Specifically assert that late payment interest is due under a specific invoice, and request payment of all overdue late payment interest penalty and such additional penalty as may be required;
 - (2) Attach a copy of the invoice on which the unpaid late payment interest is due; and
 - (3) State that payment of the principal has been received, including the date of receipt.
 - (B) If there is no postmark or the postmark is illegible--
 - (1) The designated payment office that receives the demand will annotate it with the date of receipt, provided the demand is received on or before the 40th day after payment was made; or
 - (2) If the designated payment office fails to make the required annotation, the Government will determine the demand's validity based on the date the Contractor has placed on the demand, provided such date is no later than the 40th day after payment was made.
 - (iii) The additional penalty does not apply to payments regulated by other Government regulations (e.g., payments under utility contracts subject to tariffs and regulation).

SECTION I
Exhibit 2
CONTRACT CLAUSES

(b) "Contract financing payments." If this contract provides for contract financing, the Government will make contract financing payments in accordance with the applicable contract financing clause.

(c) "Overpayments." If the Contractor becomes aware of a duplicate contract financing or invoice payment or that the Government has otherwise overpaid on a contract financing or invoice payment, the Contractor shall immediately notify the Contracting Officer and request instructions for disposition of the overpayment.

I.52 52.232-33 PAYMENT BY ELECTRONIC FUNDS TRANSFER--CENTRAL CONTRACTOR REGISTRATION (OCT 2003)

(a) "Method of payment."

(1) All payments by the Government under this contract shall be made by electronic funds transfer (EFT), except as provided in paragraph (a)(2) of this clause. As used in this clause, the term "EFT" refers to the funds transfer and may also include the payment information transfer.

(2) In the event the Government is unable to release one or more payments by EFT, the Contractor agrees to either--

(i) Accept payment by check or some other mutually agreeable method of payment; or

(ii) Request the Government to extend the payment due date until such time as the Government can make payment by EFT (but see paragraph (d) of this clause).

(b) "Contractor's EFT information." The Government shall make payment to the Contractor using the EFT information contained in the Central Contractor Registration (CCR) database. In the event that the EFT information changes, the Contractor shall be responsible for providing the updated information to the CCR database.

(c) "Mechanisms for EFT payment." The Government may make payment by EFT through either the Automated Clearing House (ACH) network, subject to the rules of the National Automated Clearing House Association, or the Fedwire Transfer System. The rules governing Federal payments through the ACH are contained in 31 CFR part 210.

(d) "Suspension of payment." If the Contractor's EFT information in the CCR database is incorrect, then the Government need not make payment to the Contractor under this contract until correct EFT information is entered into the CCR database; and any invoice or contract financing request shall be deemed not to be a proper invoice for the purpose of prompt payment under this contract. The prompt payment terms of the contract regarding notice of an improper invoice and delays in accrual of interest penalties apply.

(e) "Liability for uncompleted or erroneous transfers."

(1) If an uncompleted or erroneous transfer occurs because the Government used the Contractor's EFT information incorrectly, the Government remains responsible for--

(i) Making a correct payment;

(ii) Paying any prompt payment penalty due; and

(iii) Recovering any erroneously directed funds.

(2) If an uncompleted or erroneous transfer occurs because the Contractor's EFT information was incorrect, or was revised within 30 days of Government release of the EFT payment transaction instruction to the Federal Reserve System, and--

(i) If the funds are no longer under the control of the payment office, the Government is deemed to have made

SECTION I
Exhibit 2
CONTRACT CLAUSES

- payment and the Contractor is responsible for recovery of any erroneously directed funds; or
- (ii) If the funds remain under the control of the payment office, the Government shall not make payment, and the provisions of paragraph (d) of this clause shall apply.

(f) "EFT and prompt payment." A payment shall be deemed to have been made in a timely manner in accordance with the prompt payment terms of this contract if, in the EFT payment transaction instruction released to the Federal Reserve

System, the date specified for settlement of the payment is on or before the prompt payment due date, provided the specified payment date is a valid date under the rules of the Federal Reserve System.

(g) "EFT and assignment of claims." If the Contractor assigns the proceeds of this contract as provided for in the assignment of claims terms of this contract, the Contractor shall require as a condition of any such assignment, that the assignee shall register separately in the CCR database and shall be paid by EFT in accordance with the terms of this clause. Notwithstanding any other requirement of this contract, payment to an ultimate recipient other than the Contractor, or a financial institution properly recognized under an assignment of claims pursuant to Subpart 32.8, is not permitted. In all respects, the requirements of this clause shall apply to the assignee as if it were the Contractor. EFT information that shows the ultimate recipient of the transfer to be other than the Contractor, in the absence of a proper assignment of claims acceptable to the Government, is incorrect EFT information within the meaning of paragraph (d) of this clause.

(h) "Liability for change of EFT information by financial agent." The Government is not liable for errors resulting from changes to EFT information made by the Contractor's financial agent.

(i) "Payment information." The payment or disbursing office shall forward to the Contractor available payment information that is suitable for transmission as of the date of release of the EFT instruction to the Federal Reserve System. The Government may request the Contractor to designate a desired format and method(s) for delivery of payment information from a list of formats and methods the payment office is capable of executing. However, the Government does not guarantee that any particular format or method of delivery is available at any particular payment office and retains the latitude to use the format and delivery method most convenient to the Government. If the Government makes payment by check in accordance with paragraph (a) of this clause, the Government shall mail the payment information to the remittance address contained in the CCR database.

I.53 52.233-1 DISPUTES (JUL 2002)

(a) This contract is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613).

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

(c) "Claim," as used in this clause, means a written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to this contract. However, a written demand or written assertion by the Contractor seeking the payment of money exceeding \$100,000 is not a claim under the Act until certified. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim under the Act. The submission may be converted to a claim under the Act, by complying with the submission and certification requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.

(d)

SECTION I
Exhibit 2
CONTRACT CLAUSES

- (1) A claim by the Contractor shall be made in writing and, unless otherwise stated in this contract, submitted within 6 years after accrual of the claim to the Contracting Officer for a written decision. A claim by the Government against the Contractor shall be subject to a written decision by the Contracting Officer.
- (2)
 - (i) The Contractor shall provide the certification specified in paragraph (d) (2) (iii) of this clause when submitting any claim exceeding \$100,000.
 - (ii) The certification requirement does not apply to issues in controversy that have not been submitted as all or part of a claim.
 - (iii) The certification shall state as follows:

"I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which the Contractor believes the Government is liable; and that I am duly authorized to certify the claim on behalf of the Contractor."
- (3) The certification may be executed by any person duly authorized to bind the Contractor with respect to the claim.
 - (e) For Contractor claims of \$100,000 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 over \$100,000, the Contracting Officer must, within 60 days, decide the claim or notify the Contractor of the date by which 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) If the claim by the Contractor is submitted to the Contracting Officer or a claim by the Government is presented to the Contractor, the parties, by mutual consent, may agree to use alternative dispute resolution (ADR). If the Contractor refuses an offer for ADR, the Contractor shall inform the Contracting Officer, in writing, of the Contractor's specific reasons for rejecting the offer.
 - (h) The Government shall pay interest on the amount found due and unpaid from
 - (1) the date that the Contracting Officer receives the claim (certified, if required); or
 - (2) the date that payment otherwise would be due, if that date is later, until the date of payment. With regard to claims having defective certifications, as defined in FAR 33.201, interest shall be paid from the date that the Contracting Officer initially receives the claim. Simple interest on claims shall be paid at the rate, fixed by the Secretary of the Treasury as provided in the Act, which is applicable to the period during which the Contracting Officer receives the claim and then at the rate applicable for each 6-month period as fixed by the Treasury Secretary during the pendency of the claim.
 - (i) 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.

~~EXHIBIT 2~~
SECTION I
CONTRACT CLAUSES

I.54 52.233-3 PROTEST AFTER AWARD (AUG 1996)

(a) Upon receipt of a notice of protest (as defined in FAR 33.101) or a determination that a protest is likely (see FAR 33.102(d)), the Contracting Officer may, by written order to the Contractor, direct the Contractor to stop performance of the work called for by this contract. The order shall be specifically identified as a stop-work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Upon receipt of the final decision in the protest, the Contracting Officer shall either--

- (1) Cancel the stop-work order; or
- (2) Terminate the work covered by the order as provided in the Default, or the Termination for Convenience of the Government, clause of this contract.

(b) If a stop-work order issued under this clause is canceled either before or after a final decision in the protest, the Contractor shall resume work. The Contracting Officer shall make an equitable adjustment in the delivery schedule or contract price, or both, and the contract shall be modified, in writing, accordingly, if--

- (1) The stop-work order results in an increase in the time required for, or in the Contractor's cost properly allocable to, the performance of any part of this contract; and
- (2) The Contractor asserts its right to an adjustment within 30 days after the end of the period of work stoppage; provided, that if the Contracting Officer decides the facts justify the action, the Contracting Officer may receive and act upon a proposal at any time before final payment under this contract.

(c) If a stop-work order is not canceled and the work covered by the order is terminated for the convenience of the Government, the Contracting Officer shall allow reasonable costs resulting from the stop-work order in arriving at the termination settlement.

(d) If a stop-work order is not canceled and the work covered by the order is terminated for default, the Contracting Officer shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop-work order.

(e) The Government's rights to terminate this contract at any time are not affected by action taken under this clause.

(f) If, as the result of the Contractor's intentional or negligent misstatement, misrepresentation, or miscertification, a protest related to this contract is sustained, and the Government pays costs, as provided in FAR 33.102(b)(2) or 33.104(h)(1), the Government may require the Contractor to reimburse the Government the amount of such costs. In addition to any other remedy available, and pursuant to the requirements of Subpart 32.6, the Government may collect this debt by offsetting the amount against any payment due the Contractor under any contract between the Contractor and the Government.

I.55 52.233-4 APPLICABLE LAW FOR BREACH OF CONTRACT CLAIM (OCT 2004)

United States law will apply to resolve any claim of breach of this contract.

I.56 52.237-2 PROTECTION OF GOVERNMENT BUILDINGS, EQUIPMENT, AND VEGETATION (APR 1984)

The Contractor shall use reasonable care to avoid damaging existing buildings, equipment, and vegetation on the Government installation. If the Contractor's failure to use reasonable care causes damage to any of this

**SECTION I
CONTRACT CLAUSES**

property, the Contractor shall replace or repair the damage at no expense to the Government as the Contracting Officer directs. If the Contractor fails or refuses to make such repair or replacement, the Contractor shall be liable for the cost, which may be deducted from the contract price.

I.57 52.242-13 BANKRUPTCY (JUL 1995)

In the event the contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary, the contractor agrees to furnish, by certified mail or electronic commerce method authorized by the contract, written notification of the bankruptcy to the contracting officer responsible for administering the contract. This notification shall be furnished within five days of the initiation of the proceedings relating to bankruptcy filing. This notification shall include the date on which the bankruptcy petition was filed, the identity of the court in which the bankruptcy petition was filed, and a listing of Government contract numbers and contracting offices for all Government contracts against which final payment has not been made. This obligation remains in effect until final payment under this contract.

I.58 52.243-1 CHANGES-FIXED-PRICE ALTERNATE III (AUG 1987)

(a) The Contracting Officer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in the services to be performed.

(1) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the Government in accordance with the drawings, designs, or specifications.

(2) Method of shipment or packing.

(3) Place of delivery.

(b) If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under this contract, whether or not changed by the order, the Contracting Officer shall make an equitable adjustment in the contract price, the delivery schedule, or both, and shall modify the contract.

(c) The Contractor must assert its right to an adjustment under this clause within 30 days from the date of receipt of the written order. However, if the Contracting Officer decides that the facts justify it, the Contracting Officer may receive and act upon a proposal submitted before final payment of the contract.

(d) If the Contractor's proposal includes the cost of property made obsolete or excess by the change, the Contracting Officer shall have the right to prescribe the manner of the disposition of the property.

(e) Failure to agree to any adjustment shall be a dispute under the Disputes clause. However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

(f) No services for which an additional cost or fee will be charged by the Contractor shall be furnished without the prior written authorization of the Contracting Officer.

**I.59 52.244-4 SUBCONTRACTORS AND OUTSIDE ASSOCIATES AND CONSULTANTS
(ARCHITECT-ENGINEER SERVICES) (AUG 1998)**

Any subcontractors and outside associates or consultants required by the Contractor in connection with the services covered by the contract will be limited to individuals or firms that were specifically identified and agreed to during negotiations. The Contractor shall obtain the Contracting Officer's written consent before making any substitution for these subcontractors, associates, or consultants.

~~SECRET~~
SECTION I
CONTRACT CLAUSES

I.60 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 Contractor shall insert the following clauses in 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, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Dec 2001) (38 U.S.C. 4212(a));

(iv) 52.222-36, Affirmative Action for Workers with Disabilities (June 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 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.61 52.247-63 PREFERENCE FOR U.S.-FLAG AIR CARRIERS (JUNE 2003)

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

"International air transportation" means transportation by air between a place in the United States and a place outside the United States or between two places both of which are outside the United States.

"United States" means the 50 States, the District of Columbia, and outlying areas.

"U.S.-flag air carrier" means an air carrier holding a certificate under 49 U.S.C. Chapter 411.

~~SECRET~~
SECTION I
CONTRACT CLAUSES

(b) Section 5 of the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. 40118) (Fly America Act) requires that all Federal agencies and Government contractors and subcontractors use U.S.-flag air carriers for U.S. Government-financed international air transportation of personnel (and their personal effects) or property, to the extent that service by those carriers is available. It requires the Comptroller General of the United States, in the absence of satisfactory proof of the necessity for foreign-flag air transportation, to disallow expenditures from funds, appropriated or otherwise established for the account of the United States, for international air transportation secured aboard a foreign-flag air carrier if a U.S.-flag air carrier is available to provide such services.

(c) If available, the Contractor, in performing work under this contract, shall use U.S.-flag carriers for international air transportation of personnel (and their personal effects) or property.

(d) In the event that the Contractor selects a carrier other than a U.S.-flag air carrier for international air transportation, the Contractor shall include a statement on vouchers involving such transportation essentially as follows:
Statement of Unavailability of U.S.-Flag Air Carriers

International air transportation of persons (and their personal effects) or property by U.S.-flag air carrier was not available or it was necessary to use foreign-flag air carrier service for the following reasons (see section 47.403 of the Federal Acquisition Regulation): [State reasons]:

(End of statement)

(e) The Contractor shall include the substance of this clause, including this paragraph (e), in each subcontract or purchase under this contract that may involve international air transportation.

I.62 52.253-1 COMPUTER GENERATED FORMS (JAN 1991)

(a) Any data required to be submitted on a Standard or Optional Form prescribed by the Federal Acquisition Regulation (FAR) may be submitted on a computer generated version of the form, provided there is no change to the name, content, or sequence of the data elements on the form, and provided the form carries the Standard or Optional Form number and edition date.

(b) Unless prohibited by agency regulations, any data required to be submitted on an agency unique form prescribed by an agency supplement to the FAR may be submitted on a computer generated version of the form provided there is no change to the name, content, or sequence of the data elements on the form and provided the form carries the agency form number and edition date.

(c) If the Contractor submits a computer generated version of a form that is different than the required form, then the rights and obligations of the parties will be determined based on the content of the required form.

SECTION J
Exhibit 2
DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTS

J.1 DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTS.

The following documents are attached and hereby incorporated by reference into this contract:

| <u>Attachment No.</u> | <u>Title or Description</u> | <u>No. of Pages</u> |
|-----------------------|---|---------------------|
| 01 | DELIVERABLE COVER SHEET | 1 |
| 02 | STATEMENT OF WORK "Shallow Water Multibeam Sonar and Side Scan Sonar Survey Services" | 24 |
| 03 | Rates | 10 |
| 04 | Small Business Subcontracting Plan Dated 04/19/05 | 7 |

EXHIBIT C

General Terms and Conditions

A. Amendment

By mutual agreement, NOS and the Conservancy may amend this agreement in writing. Such amendment must be signed by the parties and approved by the California Department of General Services, as required. No alteration or variation of this agreement shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.

B. Responsibilities of Parties

Each party agrees that it will be responsible for its own acts and the results thereof and shall not be responsible for the acts of the other party and the results thereof. The Conservancy therefore agrees that it will assume all risk and liability for injury to persons or property resulting from the negligent acts or omissions of its employees within the scope of their employment, and the NOS agrees that it will assume all risk and liability for injury to persons or property resulting from the negligent acts or omissions of its employees or contractors within the scope of their employment. NOS' liability shall be governed by the provisions of the Federal Tort Claims Act (28 U. S.C. 2671 et seq.) and the Conservancy's liability by the provisions of the California Torts Claims Act (Govt. Code §§ 800 et seq.) and by any other applicable law.

C. Independent Status

NOS, and the officers, agents, contractors and employees of NOS, in the performance of the agreement, shall act in an independent capacity and not as officers, employees or agents of the Conservancy.

D. Availability of Funds

This Agreement is subject to any additional restrictions, limitations, or conditions enacted by the California Legislature that may affect the provisions, terms or funding of this agreement in any manner. Either party may request amendments or may terminate this Agreement should funds not be available.

E. Audits

NOS shall be responsible for ensuring the accuracy and propriety of all records related to the agreement and shall maintain all supporting documentation for purposes of compliance with this agreement for a period of three years following the completion of this agreement. NOS shall

cooperate fully with any audit of its records relating to this agreement conducted by the Bureau of State Audits within that three years (State Government Code Section 8546.7).

F. Recycled Materials

As a Federal agency, NOS is not subject to State laws regarding recycling. NOS is subject to Federal laws and regulations regarding recycling, including the Resource Conservation and Recovery Act (RCRA) which requires government agencies to buy products containing the maximum feasible amount of recovered and/or recycled materials. Together, RCRA; the Pollution Prevention Act of 1990; Executive Order 12759, Federal Energy Management; and the Comprehensive Environmental Response, Compensation and Liability Act, make it a national policy to (1) prevent pollution by purchasing and using products and services which are environmentally sound and energy efficient, and (2) reduce pollution by buying and using products containing recovered or recycled materials. NOS is in compliance with these laws and regulations.

G. Governing Law

This agreement is entered into in accordance with state and federal law and shall be interpreted in accordance with the applicable laws of the State of California and the United States.

H. Severability

If any provision of this agreement is held invalid or unenforceable by any court of final jurisdiction, it is the intent of the parties that all other provisions of this agreement be construed to remain fully valid, enforceable, and binding on the parties.

I. Child Support

For any agreement in excess of \$100,000, NOS acknowledges State law concerning child and family support enforcement (Chapter 8 of Part 5 of Division 9 of the Family Code) and the requirement for the provision of names of all new hires to the California New Hire Registry.

As a Federal agency, NOS is generally not subject to state law; however, Federal laws exist that accomplish substantially the same purpose as state law on child support. NOS, as a Federal agency, is in compliance with Executive Order 12953 of February 27, 1995, and must cooperate in matters relating to child and family support enforcement as well as the Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and is providing the names of all new employees directly to the National Directory of New Hires. The California Directory of New Hires provides information to the National Directory and the State has access to information in the National Directory.

J. Americans with Disabilities Act

As a Federal agency, NOS is subject to and in compliance with the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. 12101 et seq.) and all applicable regulations and guidelines.

K. Drug-Free Workplace Certification

As a Federal agency, the NOS is not subject to State law. However, the NOS does abide by federal laws including Executive Order 12564 and Public Law 100-71 regarding drug-free workplaces including the Drug-Free Workplace Act of 1988 that requires contractors and grantees of Federal agencies to agree to provide drug-free workplaces as a precondition of receiving a contract or grant from a Federal agency.

L. Nondiscrimination

As a Federal agency, NOS is generally not subject to State law. NOS, however, supports and fully complies with federal laws, regulations, and policies that ban discrimination. These include but are not limited to Title VII of the Civil Rights Act of 1964 (Title VII), the Equal Pay Act of 1963 (EPA), the Age Discrimination in Employment Act of 1967 (ADEA), Title I and Title V of the Americans with Disabilities Act of 1990 (ADA), Sections 501 and 505 of the Rehabilitation Act of 1973, and the Civil Rights Act of 1991.

Civil Service Reform Act of 1978 (CSRA) contains a number of prohibitions, known as prohibited personnel practices, which are designed to promote overall fairness in federal personnel actions. 5 U.S.C. 2302. CSRA prohibits any employee who has authority to take certain personnel actions from discriminating for or against employees or applicants for employment on the bases of race, color, national origin, religion, sex, age or disability. It also provides that certain personnel actions can not be based on attributes or conduct that do not adversely affect employee performance, such as marital status and political affiliation. Office of Personnel Management (OPM) has interpreted the prohibition of discrimination based on conduct to include discrimination based on sexual orientation.

M. Use of Products Made by Convict, Child, etc. Labor

California law requires entities entering into agreements with the State to certify that no equipment, materials, or supplies will be furnished to the State pursuant to this Agreement that are produced for forced, convict, abusive, and/or child labor (Public Contract Code Section 6108).

As a Federal agency, NOS is generally not subject to state law. However, a Federal Executive Order exists (Executive Order 13126, June 12, 1999; 64 FR 3283) effectively requiring NOS to exercise the same responsibility as the State is under state law during the purchase of equipment, materials, or supplies.

N. Workers' Compensation

As a federal agency, NOS is "self-insured" against liability. NOS provides workers compensation to its employees under the Federal Employees Compensation Act.

O. Conflict of Interest—Current and Past State Employees

NOS agrees to inform individuals participating in these projects about information regarding conflict of interest for current and past State employees. It shall be the responsibility of each individual to determine whether conflict of interest rules apply and seek their own legal advice with regards to participation in these projects. Some conflict of interest information regarding current and previous state employees can be found at:

<http://www.leginfo.ca.gov/cgi-bin/displaycode?section=pcc&group=10001-11000&file=10410-10412>

P. Contractors

The Conservancy is limited in its contracting for intergovernmental services by the California State Contracting Manual (SCM). Consistent with SCM Section 3.06, if NOS hires contractors, NOS hereby certifies that those contractors been selected pursuant to a bidding process or competitive selection process (for professional consultants) requiring at least three bids or proposals from responsible bidders or qualified professional individuals or firms, as specifically detailed in paragraphs I.C., II.D., and IV.A. of this Agreement.

Q. Approval

This Agreement is of no force or effect until signed by both parties and approved by the State Department of General Services, if required. NOS may not commence performance until approval has been obtained.