

AWARD/CONTRACT THIS CONTRACT IS A RATED ORDER UNDER DPAS 15 CFR 1501 RATION: PAGE OF PAGES

CONTRACT PROJECT NO. HSHQDC-07-C-00016 3 EFFECTIVE DATE 07/10/2006 4 REQUISITION/PURCHASE REQUEST/PROJECT NO. 2006-07-10014

5 ADMINISTERED BY: U.S. DEPARTMENT OF JUSTICE OIG Acquisition Branch. CODE: HSHQDC/567/S&T

7.1 NAME AND ADDRESS OF CONTRACTOR (Mfr. Street, City, Country, State and ZIP Code):
 NORTHEASTERN UNIVERSITY
 160 HUNTINGTON AVENUE
 BOSTON MA 02115-5000

6 DELIVERY FOR CRON OTHER (See below)

9 DISCOUNT FOR PROMPT PAYMENT Net 30

10 SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN ITEM

11 AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION 12 PAYMENT WILL BE MADE BY

13A ITEM NO. 13B SUPPLIES/SERVICES 13C QUANTITY 13D UNIT 13E UNIT PRICE 13F AMOUNT

14 ACCOUNTING AND APPROPRIATION DATA See Schedule

15 TOTAL AMOUNT OF CONTRACT \$1,205,151.00

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17. CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to the contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)

18. AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.

19A. NAME AND TITLE OF SIGNER (Type or print) Maureen A. Joyce, Director, DSPA

19B. NAME OF CONTRACTOR (b) (6)

19C. DATE SIGNED 12/7/2006

20A. NAME OF CONTRACTING OFFICER Wanda J. Arwood

20B. UNITED STATES OF AMERICA (b) (6)

20C. DATE SIGNED 12/6/06

NSN 7540-01-152-8008 PREVIOUS EDITION IS UNUSABLE

STANDARD FORM 30 (Rev. 4-88) Prescribed by GSA FAR (48 CFR) 53.214(h)

CONTINUATION SHEET

REFERENCE NO OF DOCUMENT BEING CONTINUED
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NAME OF OFFEROR OR CONTRACTOR

NORTHEASTERN UNIVERSITY

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
0001	Tax ID Number: 04-1679980 DUNS Number: 001423631+0000 FOB: Destination PTIEDD - Phase I: BomDetec Project Including Data Deliverables Fully Funded Obligation Amount \$1,711,383.00 Product/Service Code: R425 Product/Service Description: ENGINEERING & TECHNICAL SERVICES Delivery: 04/09/2007 Accounting Info: NONE000-000-RX-06-10-DC-005-06-01-0000-00-00-00-00-00-00 -GE-DL-25-50-00000 Funded: \$903,678.00 Accounting Info: NONE000-000-SX-06-10-DC-005-06-01-0000-00-00-00-00-00-00 -GE-DL-25-50-00000 Funded: \$120,500.00 Accounting Info: NONE000-000-SX-06-20-DC-005-06-01-0000-00-00-00-00-00-00 -GE-DL-25-50-00000 Funded: \$281,003.00 CLIN 0001 Total Estimated Cost: \$1,687,533 CLIN 0001 Total Fixed Fee: \$23,850 CLIN 0001 Total CPFF: \$1,711,383 CLIN 0001 is incrementally funded in the amount of \$1,305,181. This amount appears in Block 15G of the SF26 as the amount obligated with this action.	1	LO	1,711,383.00	1,305,181.00
0002	OPTION 1: PTIEDD - Phase II: BomDetec Project Including Data Deliverables Amount: \$1,697,743.00 (Option Line Item) 04/09/2007 Product/Service Code: R425 Product/Service Description: ENGINEERING & TECHNICAL SERVICES Delivery: 365 Days After Award Accounting Info: CLIN 0002 Total Estimated Cost: \$1,564,740 CLIN 0002 Total Fixed Fee: \$133,003 CLIN 0002 Total CPFF: \$1,697,743 Continued ...	1	LO	1,697,743.00	0.00

CONTINUATION SHEET

REFERENCE NO OF DOCUMENT BEING CONTINUED
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NAME OF OFFEROR OR CONTRACTOR

NORTHEASTERN UNIVERSITY

ITEM NO (A)	SUPPLIES-SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
0003	<p>OPTION 2: PTIEUD - Phase III: BomDetec Project Including Data Deliverables. Amount: \$523,332.00 (Option Line Item) 04/06/2008 Product/Service Code: R425 Product/Service Description: ENGINEERING & TECHNICAL SERVICES</p> <p>Delivery: 180 Days After Award Accounting Info:</p> <p>CLIN 0003 Total Estimated Cost: \$482,334 CLIN 0003 Total Fixed Fee: \$40,998 CLIN 0003 Total CPFF: \$523,332</p> <p>If and to the extent that all options are exercised:</p> <p>The total amount of award: \$3,932,458.00. The obligation for this award is shown in box 15G.</p>	1	LO	523,332.00	0.00

SECTION B - SUPPLIES/SERVICES AND PRICES/COSTS**B-1: CONTRACT TYPE AND SCHEDULE OF ITEMS**

The purpose of this cost-type contract is to provide prototype research and development (R&D) for the Department of Homeland Security for the Prototypes and Technology for Improvised Explosives Device Detection program (PTIEDD) program which seeks to support R&D of next generation or novel technologies or prototypes for detection of improvised explosives in vehicles, in leave-behind packages, or carried by suicide bombers.

B-2: CONTRACT LINE ITEMS

1. The Contractor shall perform the R&D Contract Line Item Numbers (CLINs) identified below on a Cost-Plus-Fixed-Fee (CPFF) basis. The fixed fee for all CLINs is based on 8.50%. The Contractor shall consider the Option CLINs Estimated Costs/Fixed Fees to be Not-To-Exceed (NTE) ceilings that can be changed only through a contract modification.

Base Period:

CLIN	Description	Qty	Unit	Total Estimated Cost	Fixed Fee	Total CPFF
0001	PTIEDD - Phase I: BomDetec Project Including Data Deliverables	1	Lot	\$1,687,533	\$23,850	\$1,711,383

Option 1: Phase II

CLIN	Description	Qty	Unit	Total Estimated Cost	Fixed Fee (estimated)	Total Estimated CPFF
0002	PTIEDD - Phase II: BomDetec Project Including Data Deliverables	1	Lot	\$1,564,740	\$133,003	\$1,697,743

Option 2: Phase III

CLIN	Description	Qty	Unit	Total Estimated Cost	Fixed Fee (estimated)	Total Estimated CPFF
0003	PTIEDD Phase III: BomDetec Project Including Data Deliverables	1	Lot	\$482,334	\$40,998	\$523,332

2. The intent of the Government is that this contract be considered a "completion" cost effort. That is, the contractor is obliged to perform through to phase completion. Minor increases in costs will most likely be covered. Significant changes due to the Contractor's underestimating the level of effort or any changes to the Contractor's technical approach will require Government evaluation of the Contractor's progress. The Contracting Officer may

request a revised proposal at any time should the situation warrant. The Contractor is obligated to notify the Contracting Officer upon exhaustion of 75% of funding. All decisions regarding additional funding will be subject to the availability of funds.

B-3: OPTIONS

1. This PTIEDD project is being conducted in three phases: Phase I (CLIN 0001), develops the idea sufficient to conduct a Preliminary Design Review; Phase II (CLIN 0002, Option 1) develops the idea further and completes a Breadboard design; Phase III (CLIN 0003, Option 2) is the final development and completion of the Preproduction design.

SECTION C - DESCRIPTION/SPECIFICATIONS

C-1: STATEMENT OF WORK

The BomDetec - Wide Area Surveillance and Suicide Bomber Detection at >10M project is comprised of three (3) phases. At this time, only Phase I is funded and authorized to proceed. The work described below shall be accomplished in Phase I. As the Option Phases II and III are authorized and funded, additional work statements will be incorporated into this contract by modification.

PHASE I

Scope: In Phase I, four existing sensors will be tested or assessed and evaluated independently to determine the most effective combination of sensors. The sensors include (1) intelligent video, (2) Millimeter Wave Radar (MMW Radar), (3) X-Ray, and (4) Terahertz Wave (THz). Each sensor will be evaluated against a set of simulated suicide bomber dummies in laboratory and field conditions. If a sensor makes a substantive contribution, it will be included in the design for the Phase II breadboard.

Tasks:

1.0 Intelligent Video:

The intelligent video portion of this effort will use multiple static cameras at different corners of a Z Backscatter Van (ZBV) in the final product and also potentially on utility poles and or buildings. The capability to detect and track humans using one camera has already been demonstrated. Enhancements will be made to detect and track one or more persons and objects using multiple cameras. Appearance models will also be developed to improve tracking performance after temporary occlusion. In addition to developing the Intelligent Video Sensor, Siemens will obtain the data needed to control and gather data from the other sensors (Radar, X-ray backscatter). They will also consider the Graphical User Interface (GUI) and concepts of operation (CONOPS) during Phase I. Under this task, the contractor shall:

- 1.1 Evaluate sensor data
 - 1.1.1 Radar data analysis
 - 1.1.2 Backscatter X-ray preprocess/enhance--based on physical model
 - 1.1.3 Backscatter X-ray data analysis

- 1.2 Design and integrate threat measure
- 1.3 Design user interface scheme
- 1.4 Define data communication protocol
- 1.5 Define Integration and testing protocol
- 1.6 Define software architecture and data structures
- 1.7 Define requirements specification
- 1.8 Select Intelligent Video subsystems
- 1.9 Develop Persistent tracking
- 1.10 Develop Feature based target classification
- 1.11 Develop Multi-sensor calibration
- 1.12 Develop Intelligent Video test plan
- 1.13 Test and analyze the performance of Intelligent Video
- 1.14 Test the software System architecture, and integration
- 1.15 Test and evaluate visualization front end, policy engine
- 1.16 Develop System Configuration Concept (w team)
- 1.17 Write Preliminary Design Review (Intelligent Video, software integration) (PDR)
- 1.18 Write Phase I Final Report (Intelligent Video, and software integration)

2.0 Radar

The radar portion of this effort will use W-band millimeter wave radar to obtain dual polarization data for long range threat detection. The result of prior work establishes a preliminary assessment of the capability of polarimetric millimeter wave radar to detect the threats. This provides the basis for following this approach as opposed to considering alternatives. Measurements will be made using single polarization radar in such a way as to obtain data for two orthogonal polarizations for subsequent analysis. The data will show the threat detection capability of dual polarization millimeter wave radar as a part of a sensor suite for Phase II. Modifications to the radar to support a polarimetric mode operationally will be designed in Phase I and implemented in Phase II. Under this task the contractor shall:

- 2.1 Identify radars to be used/studied on the program
- 2.2 Obtain transmission license approvals
- 2.3 Provide radar specifications including: data output, data rates
- 2.4 Define required data output and format
- 2.5 Determine if available data is sufficient for gross conclusions that validate existing data
- 2.6 Determine if available data is sufficient for algorithm input
- 2.7 Determine basic modifications to radars (if needed) to provide required data output
- 2.8 Determine if modifications to radar can be accomplished in Phase I
- 2.9 Identify outdoor test range
- 2.10 Run initial, simple experiments to baseline radar performance with and without target simulants at an outdoor test range
- 2.11 Evaluate the results (phenomenonological interpretation)
- 2.12 Develop detailed experimental testing protocol for indoor/outdoor environments
- 2.13 Identify subjects, clothing, targets, innocent objects
- 2.14 Identify environmental clutter to be used
- 2.15 Define the system requirements, software/data requirement specifications for Operating Envelope including antenna coverage/size

- 2.16 Design antenna required for Phase II, design wider aperture/tighter beam, polarization.
- 2.17 Determine advantages/modification for other polarizations
- 2.18 Define implementation to obtaining pulse to pulse VV, HH, and VH and other polarization data – radar modification
- 2.19 Develop multi-polarization algorithms based on theoretical backscatter predictions
- 2.20 Design experiments to validate the algorithms
- 2.21 Investigate clutter reduction approaches
- 2.22 Develop System Configuration Concept (w team)
- 2.23 Write Preliminary Design Review (radar sensor) (PDR)
- 2.24 Write Phase I Final Report (radar sensor)

3.0 X-Ray (Phase I)

In the X-ray Backscatter portion of this effort, the contractor will assess the ability of a Long Distance Viewing X-ray system to determine its ability to differentiate between people with metal and people without metal (and people with and without appropriate density plastic) at distances up to 10 meters. The X-ray sensor's ability to image metal conformation at approximately 10 meters will be investigated. This assessment will be accomplished using existing data previously collected using a Long Distance Viewing (LDV)-configured Z Backscatter Van (ZBV). Differences between a standard ZBV and the LDV will be analyzed for applicability to suicide bomber detection. Under this task the contractor shall:

- 3.1 Develop system hardware design
 - 3.1.1 Mechanical Design
 - 3.1.2 Electrical Design
 - 3.1.2.1 Power
 - 3.1.2.2 Control
 - 3.1.2.3 Signal
 - 3.1.3 Thermal Design
 - 3.1.4 Software Design
 - 3.1.4.1 Control Software Integration
 - 3.1.4.2 Data Acquisition
 - 3.1.4.3 Data Analysis and Fusion
- 3.2 Develop X-ray sensor evaluation criteria
- 3.3 Evaluate X-ray sensor data (using data on hand)
- 3.4 Develop System Configuration Concept (w team)
- 3.5 Write Preliminary Design Review (X-ray sensor, hardware integration) (PDR)
- 3.6 Write Phase I Final Report (X-ray sensor, hardware integration)

4.0 Terahertz (THz)

THz radiation will be used for spectroscopic confirmation of a threat. In this portion of the effort, THz technology will be evaluated to determine the appropriate configuration to use with the system. Frequency resonances (signatures) of selected explosives and their related compounds will be tested with distance (up to 10 meters) and weather condition variables. The standoff detection distance will be optimized in Phase I. Under this task the contractor shall:

- 4.1 Select appropriate THz technology
- 4.2 THz sensor test bed system
 - 4.2.1 Refine the library of THz-TDS signatures of explosives
- 4.3 Develop fast acquisition system – Optical delay line
- 4.4 Develop THz beam focusing subsystem
- 4.5 Improve the sensitivity-THz emitter and detector technology
- 4.6 Design Stand-off detection optics system
- 4.7 Design probe pulse circulator
- 4.8 Assemble THz laboratory system
 - 4.8.1 Hardware
 - 4.8.2 Electronics
 - 4.8.3 Software
- 4.9 Develop laboratory test
- 4.10 Test and evaluate performance
- 4.11 Develop System Configuration Concept
- 4.12 Write Preliminary Design review (THz sensor)(PDR)
- 4.13 Write Phase I Final Report (THz sensor)

5.0 Suicide Bomber Test Subject

The contractor has an X-ray mannequin that can be used as a subject and an amateur suicide bomber vest that can be used. The Government will provide information to assist the contractor design simulated suicide bomber test objects.

- 5.1 Procure or investigate bomber test subject
- 5.2 Design bomber test subject
- 5.3 Fabricate typical suicide bomber test objects

6.0 Hardware and Software Integration (Phase I)

As described in section 3.0 X-ray, the hardware integrator will gather general information about each of the sensors and will perform an initial assessment of the mechanical, electrical, thermal, and optical integration issues of the sensors into their ZBV. A preliminary integration design will be presented at the PDR. As described in section 1.0 Intelligent Video, the software integrator will gather general software information about each sensor and will obtain information about the sensors data for signal and control. The contractor will design a preliminary sensor fusion and command and control system, which will be presented at the PDR.

7.0 Program Management

To manage the BomDetec Project Phase I effort, the contractor shall appoint a Program/Project Manager and implement processes to monitor the following areas:

- 7.1 Technical (planning, tracking, managing)
- 7.2 Financial (planning, tracking, managing)
- 7.3 Schedule (Gantt, deliverables, milestones)
- 7.4 Communication (weekly meeting, monthly technical / cost progress reports, reviews, final report)
- 7.5 Program Support (travel, meetings, contract)
- 7.6 System Configuration Concept
- 7.7 Preliminary Design Review (PDR)
- 7.8 Phase I Final Report

8.0 Deliverables

Item	Time After Award
1. Monthly Technical Progress and Cost Reports	Monthly
2. Report on Laboratory and Field Evaluation Criteria	Thirty (30) Weeks
3. Report on Laboratory and Field Evaluation Results for each sensor	Thirty-four (34) weeks
4. Independent Review Board Report on the use of Human Test Subjects	Thirty (30) days prior to testing
5. System Configuration Concept	Thirty-six (36) weeks
6. Preliminary Design Review (PDR)	Thirty-six (36) weeks
7. Final Report Phase I	Nine (9) months

SECTION D - PACKAGING AND MARKING**D-1: PACKAGING AND MARKING**

(a) Data contained in the List of Deliverables delivered under this contract shall be electronically submitted to ^{(b) (6)} [REDACTED]. If delivery is submitted by mail, the contractor shall preserve, pack and package in such a way to ensure complete delivery at destination without damage or deterioration of the supplies due to the hazards of shipping, handling or storage. Standard commercial preservation, packaging and packing shall be employed to meet the packaging requirements of the carrier and to insure delivery, to the addressee at destination. See G-2 for specific delivery address.

(b) The Contractor shall mark all shipments under this contract with the contract number and recipients' name. This same data shall also be included on the following: shipping documentation, date submitted, invoices and correspondence pertaining to a particular delivery. NOTE: Failure to mark all packages, boxes, etc., as indicated above, may result in return of the shipment at the contractor's expense.

SECTION E - INSPECTION AND ACCEPTANCE**E-1: CLAUSES INCORPORATED BY REFERENCE**

The following FAR clauses are available in full text at <http://farsite.hill.af.mil> and incorporated by reference into this contract:

52.246-8	Inspection of Research and Development -- Cost Reimbursement	May 2001
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E-2: INSPECTION AND ACCEPTANCE BY THE GOVERNMENT

The Contracting Officer's Technical Representative (COTR) identified in Section G of this Contract is responsible for inspection and acceptance of all services, incoming shipments, documents, and services performed specifically for the Contract.

E-3: ACCEPTANCE CRITERIA

Certification by the Government of satisfactory services provided is contingent upon the Contractor performing in accordance with the terms and conditions of the contract and all modifications.

SECTION F - DELIVERIES OR PERFORMANCE

F-1: CLAUSES INCORPORATED BY REFERENCE

The following FAR clauses are available in full text at <http://farsite.hill.af.mil> and incorporated by reference into this contract:

52.242-15	Stop-Work Order	Aug 1989
Alt I	(Alternate I)	Apr 1984 (Alt I)
52.247-34	F.O.B. Destination	Nov 1991

F-2: PERIOD OF PERFORMANCE

The period of performance of Phase I of this Contract is from date of authorization to proceed through nine (9) months. Authorization to proceed was granted by the Contracting Officer on 10 Jul 2006. Therefore the Phase I period of performance shall conclude on 9 April 2007. The period of performance for all optional phases, if exercised, is as follows:

- Option 1: CLIN 0002 (Phase II) – From date of option exercise through twelve (12) months
- Option 2: CLIN 0003 (Phase III) – From date of option exercise through six (6) months

The total period of performance for this contract, if all options are exercised, shall not exceed twenty-seven (27) months from date of authorization to proceed.

F-3: PLACE OF PERFORMANCE

The research and development efforts shall be performed at the contractor, or designated subcontractor, facility.

F-4: DELIVERY ADDRESS

All deliverables shall be submitted electronically to the Government Program Manager identified in Section G of this Contract.

F-5: METHOD OF DELIVERY

Electronic copies shall be delivered in Microsoft Office formatted files, unless otherwise specified by the COTR. Electronic submission shall be made via e-mail, unless otherwise directed by the COTR.

F-6: DELIVERABLE /DELIVERY SCHEDULE

All deliverable schedules are contained in Section C, Statement of Work.

SECTION G - CONTRACT ADMINISTRATION DATA**G-1: CONTRACTING OFFICER (CO)**

The Contracting Officer for this Contract is identified below:

Name:	Wanda J. Armwood
Title:	Contracting Officer
Agency:	Department of Homeland Security Homeland Security Advanced Research Projects Agency / Office of Procurement Operations
Address:	Washington, DC 20598
Voice:	(b) (6)
Fax:	(202) 254-6167
Email:	(b) (6)

G-2: CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR)

The COTR for this Contract is identified below:

Name:	Trent DePersia
Title:	Program Manager
Agency:	Department of Homeland Security Homeland Security Advanced Research Projects Agency
Address:	Washington, DC 20598
Voice:	(b) (6)
Fax:	(202) 254-6170
Email:	(b) (6)

G-3: CONTRACTING OFFICER'S AUTHORITY

The Contracting Officer (CO) assigned to this contract has responsibility for ensuring the performance of all necessary actions for effective contracting; ensuring compliance with the terms of the contract and safeguarding the interests of the United States in its contractual relationships. The CO is the only individual who has the authority to enter into, administer, or terminate this contract and is the only person authorized to approve changes to any of the

requirements under this contract, and notwithstanding any provision contained elsewhere in this contract, this authority remains solely with the CO.

It is the Contractor's responsibility to contact the CO immediately if there is even the appearance of any technical direction that is or may be outside the scope of the contract. The Government will not reimburse the Contractor for any work not authorized by the CO, including work outside the scope of the contract.

G-4: CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (HSAR 3052.242-72) (DEC 2003)

- (a) The Contracting Officer may designate Government personnel to act as the Contracting Officer's Technical Representative (COTR) to perform functions under the contract such as review or inspection and acceptance of supplies, services, including construction, and other functions of a technical nature. The Contracting Officer will provide a written notice of such designation to the Contractor within five working days after contract award or for construction, not less than five working days prior to giving the contractor the notice to proceed. The designation letter will set forth the authorities and limitations of the COTR under the contract.
- (b) The Contracting Officer cannot authorize the COTR or any other representative to sign documents, such as contracts, contract modifications, etc., that require the signature of the Contracting Officer.

G-5: INTERPRETATION OR MODIFICATION

No oral statement by any person, and no written statement by anyone other than the Contracting Officer (CO), or his/her authorized representative acting within the scope of his/her authority, shall be interpreted as modifying or otherwise affecting the terms of this contract. All requests for interpretation or modification shall be made in writing to the CO.

G-6: ACCOUNTING AND APPROPRIATION DATA

The accounting and appropriation data corresponding to this contract is found in Block 14 on the award cover page (SF-26).

CLIN 0001 of this contract is incrementally funded. The sum of \$1,305,181 is obligated under this action and allotted to CLIN 0001. As such, the Limitation of Funds clause (FAR 52.232-22) applies to this contract. If and when funding becomes available, the Government will unilaterally modify this contract to provide additional funds.

G-7: INVOICING INSTRUCTIONS

In order to initiate payment, the Contractor shall submit proper invoices for payment in the manner and format described herein:

The Contractor shall submit an original invoice or send via facsimile or email to the following address:

Department of Homeland Security
Science & Technology Directorate
Attn: PPB / Deborah DeVault
Washington, DC 20528
Email address: (b) (6)

Each invoice shall include the following:

- 1) Contract Number
- 2) Contractor Name
- 3) Date of Invoice
- 4) Invoice/voucher Number
- 5) Material
- 6) Labor
- 7) Benefits
- 8) Overhead
- 9) Other Direct Cost (ODCs)
- 10) Travel
- 11) Total Costs

G-8: TRAVEL

- (a) Approval of Foreign Travel: The cost of foreign travel is allowable only when the specific written approval of the Contracting Officer or Contract Specialist responsible for administration of the contract is obtained prior to commencing the trip. Approval must be requested at least 30 days before the scheduled departure date in order that all necessary clearances may be processed. Each individual trip must be approved separately even though it may have been include in a previously approved budget Foreign travel is defined as any travel outside of Canada and the United States and its territories and possessions.
- (b) Domestic/local travel shall take place in accordance with the applicable Cost Principles for Universities (FAR 31.3) and the Federal Travel Regulations for Industrial Subcontractors.

G-9: GOVERNMENT FURNISHED EQUIPMENT/INFORMATION/MATERIALS

For performance of the Phase I effort, the Program Manager will provide information regarding the characteristics of a simulated suicide bomber vest and/or other suicide bomber objects. This Government Furnished Information will be provided to assist the contractor prior to the sensor evaluation testing/suicide bomber simulation. Should GFE/GFI/GFM be required in Phases II and/or III, the Government and Contractor will follow the necessary steps to provide such property.

SECTION H - SPECIAL CONTRACT REQUIREMENTS**H-1: CONFIDENTIALITY OF INFORMATION**

- (a) To the extent that the work under this contract requires that the Contractor be given access to or be furnished with confidential or proprietary business, technical, or financial information or data belonging to other entities which is clearly marked as confidential or proprietary, the Contractor shall, after receipt thereof, treat such information in confidence and agrees not to appropriate such information to its own use or to disclose such information to third parties unless specifically authorized in writing by the Contracting Officer. The foregoing obligations, however, shall not apply to:
- (1) Information or data which is in the public domain at the time of receipt by the Contractor;
 - (2) Information or data which is published or otherwise subsequently becomes part of the public domain through no fault of the Contractor;
 - (3) Information or data which the Contractor can demonstrate was already in its possession at the time of receipt thereof; or
 - (4) Information or data which the Contractor can demonstrate was received by it from a third party who did not require the Contractor to treat it in confidence.
- (b) The Contractor agrees (1) to enter into an agreement, identical in all material respects to the requirements of paragraph (a) above, with each entity requesting such agreement and that is supplying such confidential or proprietary information or data to the Contractor under this contract and (2) to supply a copy of such agreement to the Contracting Officer, upon written request.
- (c) This clause shall be included in any subcontract under which there is a requirement or there becomes a requirement that the subcontractor be given access to or be furnished with confidential or proprietary business, technical, or financial information or data.

H-2: RELEASE OF INFORMATION

The Contractor shall closely coordinate with the COTR regarding any proposed scientific, technical, or professional publication of the results of the work performed or any data developed under this contract. The Contractor shall provide the COTR an opportunity to review any proposed manuscripts describing, in whole or in part, the results of the work performed or any data developed under this contract at least forty-five (45) days prior to publication. The COTR will review the proposed publication and provide comments. A response shall be provided to the Contractor within forty-five (45) days; otherwise, the Contractor may assume that the COTR has no comments. The Contractor agrees to address any concerns or issues identified by the COTR prior to publication.

H-3: OPTION TO EXTEND THE TERM OF THE CONTRACT (MAR 2000) FAR 52.217-9

- (a) The Government may extend the term of this contract by written notice to the Contractor within 30 days of contract expiration; provided that the Government gives the Contractor a preliminary written notice of its intent to extend at least thirty (30) days before the contract expires. The preliminary notice does not commit the Government to an extension.
- (b) If the Government exercises this option, the extended contract shall be considered to include this option clause.
- (c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed twenty-seven (27) months.

H-4: PROTECTION OF HUMAN SUBJECTS

- (a) The Contractor agrees that the rights and welfare of human subjects involved in research under this contract shall be protected in accordance with 45 CFR Part 46, as implemented by Department of Homeland Security Management Directive 10300, *PROTECTION OF HUMAN SUBJECTS*, and with the Contractor's current Assurance of Compliance on file with the Department of Health and Human Services. The Contractor further agrees to provide certification to the Contracting Officer at least annually that the Institutional Review Board has reviewed and approved the procedures, which involve human subjects in accordance with 45 CFR Part 46 and the Assurance of Compliance.
- (b) The Contractor shall bear full responsibility for the performance of all work and services involving the use of human subjects under this contract in a proper manner and as safely as is feasible. The parties hereto agree that the Contractor retains the right to control and direct the performance of all work under this contract. Nothing in this contract shall be deemed to constitute the Contractor or a subcontractor, agent or employee of the Contractor, or any other person, organization, institution, or group of any kind whatsoever, as the agent or employee of the Government. The Contractor agrees that it has entered into this contract and will discharge its obligations, duties, and undertakings and the work pursuant thereto, whether requiring professional judgment or otherwise, as an independent contractor without imputing liability on the part of the Government for the acts of the Contractor or its employees.
- (c) If at any time during the performance of this contract, the Contracting Officer determines, in consultation with the Regulatory Compliance Office (RCO) of the Directorate of Science and Technology for the Department of Homeland Security, that the Contractor is not in compliance with any of the requirements and/or standards stated in paragraphs (a) and (b) above, the Contracting Officer may immediately suspend, in whole or in part, work and further payments under this contract until the Contractor corrects the noncompliance. Notice of the suspension may be communicated by telephone and confirmed in writing. If the Contractor fails to complete corrective action within the period of time designated in the Contracting Officer's written notice of suspension, the Contracting Officer may, in

consultation with RCO, terminate this contract in whole or in part, and the Contractor's name may be removed from the list of those contractors with approved Health and Human Services Human Subject Assurances.

SECTION I - CONTRACT CLAUSES

I-1: CLAUSES INCORPORATED BY REFERENCE (FAR 52.252-2) (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 URLs:

<http://arsite.hill.af.mil> (FAR Clauses 52.###)

http://www.dhs.gov/dhspublic/intervch/assetlibrary/DHS_HSAR_With_Notice_04-01.pdf
(HSAR Clauses 30##.###)

I-2: CLAUSES INCORPORATED BY REFERENCE

The following FAR and HSAR clauses are incorporated by reference into this contract:

52.202-1	Definitions	Jul 2004
52.203-3	Gratuities	Apr 1984
52.203-5	Covenant Against Contingent Fees	Apr 1984
52.203-7	Anti-Kickback Procedures	Jul 1995
52.203-8	Cancellation, Recession and Recovery of Funds for Illegal or Improper Activity	Jan 1997
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity	Jan 1997
52.203-12	Limitation on Payments to Influence Certain Federal Transactions	Jun 2003
52.204-4	Printed or Copied Double Sided on Recycled Paper	Aug 2000
52.204-7	Central Contractor Registration	Oct 2003
52.209-6	Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment	Jan 2005
52.215-2 Alt II	Audit and Records - Negotiation - Alternate II	Jun 1999
52.215-8	Order of Precedence - Uniform Contract Format	Oct 1997
52.215-10	Price Reduction for Defective Cost or Pricing Data	Oct 1997
52.215-12	Subcontractor Cost or Pricing Data	Oct 1997
52.215-14	Integrity of Unit Prices	Oct 1997
52.215-15	Pension Adjustments and Asset Reversions	Oct 2004

52.215-17	Waiver of Facilities Capital Cost of Money	Oct 1997
52.215-18	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions	Oct 1997
52.215-21	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data – Modifications	Oct 1997
52.216-7	Allowable Cost and Payment (Delete "31.2" and replace with "31.3")	Dec 2002
52.216-8	Fixed Fee	Mar 1997
52.219-8	Utilization of Small Business Concerns	May 2004
52.219-9	Small Business Subcontracting Plan	Sept 2006
52.219-16	Liquidated Damages – Subcontracting Plan	Jan 1999
52.222-1	Notice to the Government of Labor Disputes	Feb 1997
52.222-2	Payment for Overtime Premiums (a) fill-in: <u>zero (0)</u>	Jul 1990
52.222-3	Convict Labor	Jun 2003
52.222-21	Prohibition of Segregated Facilities	Feb 1999
52.222-26	Equal Opportunity	Apr 2002
52.222-35	Equal Opportunity for Disabled Veterans, Veterans of the Vietnam Era and Other Eligible Veterans	Dec 2001
52.222-36	Affirmative Action for Workers with Disabilities	Jun 1998
52.222-37	Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era and Other Eligible Veterans	Dec 2001
52.223-3 Alt I	Hazardous Material Identification and Material Safety Data – Alternate I (<i>Jul 1995</i>)	Jan 1997,
52.223-6	Drug Free Workplace	May 2001
52.223-7	Notice of Radioactive Materials	Jan 1997
52.223-14	Toxic Chemical Release Reporting	Aug 2003
52.225-13	Restrictions on Certain Foreign Purchases	Mar 2005
52.226-1	Utilization of Indian Organizations and Indian-Owned Economic Enterprises	Jun 2000
52.227-1 Alt I	Authorization and Consent – Alternate I (<i>Apr 1984</i>)	Jul 1995
52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement	Aug 1996
52.227-11	Patent Rights - Retention by Contractor (Short Form)	Jun 1997
52.227-14/ Alt. IV	Rights in Data – General – Alternate IV	Jun 1987
52.227-16	Additional Data Rights	Jun 1987
52.228-7	Insurance - Liability to Third Persons	Mar 1996
52.230-5	Cost Accounting Standards -- Educational Institution	Apr 1998
52.230-6	Administration of Cost Accounting Standards	Nov 1999
52.232-9	Limitation on Withholding of Payments	Apr 1984
52.232-17	Interest	Jun 1996

52.232-22	Limitation of Funds	Apr 1984
52.232-23	Assignment of Claims	Jan 1986
52.232-25	Prompt Payment	Oct 2003
52.232-33	Payment by Electronic Funds Transfer – Central Contractor Registration	Oct 2003
52.233-1	Disputes	Jul 2002
52.233-3	Protest After Award	Aug 1996
Alt I	- Alternate I (<i>Jun 1985</i>)	
52.233-4	Applicable Law for Breach of Contract Claim	Oct 2004
52.242-1	Notice of Intent to Disallow Costs	Apr 1984
52.242-3	Penalties for Unallowable Costs	May 2001
52.242-4	Certification of Final Indirect Costs.	Jan 1997
52.242-13	Bankruptcy	Jul 1995
52.243-2	Changes – Cost Reimbursement	Aug 1987
Alt V	- Alternate V (<i>Apr 1984</i>)	
52.244-2	Subcontracts	Aug 1998
Alt II	- Alternate II (<i>Aug 1998</i>)	
52.244-5	Competition in Subcontracting	Dec 1996
52.244-6	Subcontracts for Commercial Items	Dec 2004
52.245-5	Government Property (Cost-Reimbursement, Time-and-Materials, or Labor Hour Contracts)	May 2004
Alt I	- Alternate I (<i>Jun 2003</i>)	
52.246-23	Limitation of Liability	Feb 1997
52.247-1	Commercial Bill of Lading Notations	Apr 1984
52.247-63	Preference for U.S. Flag Air Carriers	Jun 2003
52.249-5	Termination (Cost Reimbursement)	Sep 1996
52.249-14	Excusable Delays	Apr 1984
52.251-1	Government Supply Sources	Apr 1984
52.253-1	Computer Generated Forms	Jan 1991
3052.219-70	Small Business Subcontracting Program Reporting	Jun 2006
3052.245-70	Government Property Records	Jun 2006

I-3: NOTIFICATION OF OWNERSHIP CHANGES (FAR 52.215-19) (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-4: NOTIFICATION OF EMPLOYEES RIGHTS CONCERNING PAYMENT OF UNION DUES AND FEES (FAR 52.222-39) (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 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.nlrb.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 <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-5: NOTIFICATION OF CHANGES (FAR 52.243-7) (APR 1984)

(a) *Definitions.* "Contracting Officer," as used in this clause, does not include any representative of the Contracting Officer.

"Specifically Authorized Representative (SAR)," as used in this clause, means any person the Contracting Officer has so designated by written notice (a copy of which shall be provided to the Contractor) which shall refer to this paragraph and shall be issued to the designated representative before the SAR exercises such authority.

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

- (1) The date, nature, and circumstances of the conduct regarded as a change;
- (2) The name, function, and activity of each Government individual and Contractor official or employee involved in or knowledgeable about such conduct;
- (3) The identification of any documents and the substance of any oral communication involved in such conduct;
- (4) In the instance of alleged acceleration of scheduled performance or delivery, the basis upon which it arose;
- (5) The particular elements of contract performance for which the Contractor may seek an equitable adjustment under this clause, including—
 - (i) What contract line items have been or may be affected by the alleged change;
 - (ii) What labor or materials or both have been or may be added, deleted, or wasted by the alleged change;
 - (iii) To the extent practicable, what delay and disruption in the manner and sequence of performance and effect on continued performance have been or may be caused by the alleged change;
 - (iv) What adjustments to contract price, delivery schedule, and other provisions affected by the alleged change are estimated; and

(6) The Contractor's estimate of the time by which the Government must respond to the Contractor's notice to minimize cost, delay or disruption of performance.

(c) *Continued performance.* Following submission of the notice required by paragraph (b) of this clause, the Contractor shall diligently continue performance of this contract to the maximum extent possible in accordance with its terms and conditions as construed by the Contractor, unless the notice reports a direction of the Contracting Officer or a communication from a SAR of the Contracting Officer, in either of which events the Contractor shall continue performance; provided, however, that if the Contractor regards the direction or communication as a change as described in paragraph (b) of this clause, notice shall be given in the manner provided. All directions, communications, interpretations, orders and similar actions of the SAR shall be reduced to writing promptly and copies furnished to

the Contractor and to the Contracting Officer. The Contracting Officer shall promptly countermand any action which exceeds the authority of the SAR.

(d) *Government response.* The Contracting Officer shall promptly, within thirty (30) calendar days after receipt of notice, respond to the notice in writing. In responding, the Contracting Officer shall either—

- (1) Confirm that the conduct of which the Contractor gave notice constitutes a change and when necessary direct the mode of further performance;
- (2) Countermand any communication regarded as a change;
- (3) Deny that the conduct of which the Contractor gave notice constitutes a change and when necessary direct the mode of further performance; or
- (4) In the event the Contractor's notice information is inadequate to make a decision under paragraphs (d) (1), (2), or (3) of this clause, advise the Contractor what additional information is required, and establish the date by which it should be furnished and the date thereafter by which the Government will respond.

(e) *Equitable adjustments.*

(1) If the Contracting Officer confirms that Government conduct effected a change as alleged by the Contractor, and the conduct causes an increase or decrease in the Contractor's cost of, or the time required for, performance of any part of the work under this contract, whether changed or not changed by such conduct, an equitable adjustment shall be made—

- (i) In the contract price or delivery schedule or both; and
- (ii) In such other provisions of the contract as may be affected.

(2) The contract shall be modified in writing accordingly. In the case of drawings, designs or specifications which are defective and for which the Government is responsible, the equitable adjustment shall include the cost and time extension for delay reasonably incurred by the Contractor in attempting to comply with the defective drawings, designs or specifications before the Contractor identified, or reasonably should have identified, such defect. When the cost of property made obsolete or excess as a result of a change confirmed by the Contracting Officer under this clause is included in the equitable adjustment, the Contracting Officer shall have the right to prescribe the manner of disposition of the property. The equitable adjustment shall not include increased costs or time extensions for delay resulting from the Contractor's failure to provide notice or to continue performance as provided, respectively, in paragraphs (b) and (c) of this clause.

**I-6: PROHIBITION ON CONTRACTS WITH CORPORATE EXPATRIATES (HSAR 3052.209-70)
(DEC 2003)**

(a) *Prohibitions.*

Section 835 of Public Law 107-296, prohibits the Department of Homeland Security from entering into any contract with a foreign incorporated entity after November 25, 2002, which is treated as an inverted domestic corporation as defined in this clause. The Secretary shall waive the prohibition with respect to any specific contract if the Secretary determines that the waiver is required in the interest of homeland security, or to prevent the loss of any jobs in

the United States or prevent the Government from incurring any additional costs that otherwise would not occur.

(b) Definitions. As used in this clause:

"Expanded Affiliated Group" means an affiliated group as defined in section 1504(a) of the Internal Revenue Code of 1986 (without regard to section 1504(b) of such Code), except that section 1504 of such Code shall be applied by substituting 'more than 50 percent' for 'at least 80 percent' each place it appears. "Foreign Incorporated Entity" means any entity which is, or but for subsection (b) of Section 835 of the Homeland Security Act, Public Law 107-296, would be, treated as a foreign corporation for purposes of the Internal Revenue Code of 1986.

"Inverted Domestic Corporation." A foreign incorporated entity shall be treated as an inverted domestic corporation if, pursuant to a plan (or a series of related transactions)—

- (1) The entity completes after November 25, 2002, the direct or indirect acquisition of substantially all of the properties held directly or indirectly by a domestic corporation or substantially all of the properties constituting a trade or business of a domestic partnership;
- (2) After the acquisition at least 80 percent of the stock (by vote or value) of the entity is held—
 - (i) In the case of an acquisition with respect to a domestic corporation, by former shareholders of the domestic corporation by reason of holding stock in the domestic corporation; or
 - (ii) In the case of an acquisition with respect to a domestic partnership, by former partners of the domestic partnership by reason of holding a capital or profits interest in the domestic partnership; and
- (3) The expanded affiliated group which after the acquisition includes the entity does not have substantial business activities in the foreign country in which or under the law of which the entity is created or organized when compared to the total business activities of such expanded affiliated group. "Person", "domestic", and "foreign" have the meanings given such terms by paragraphs (1), (4), and (5) of section 7701(a) of the Internal Revenue Code of 1986, respectively.

(c) Special rules. The following definitions and special rules shall apply when determining whether a foreign incorporated entity should be treated as an inverted domestic corporation.

- (1) Certain Stock Disregarded. For the purpose of treating a foreign incorporated entity as an inverted domestic corporation these shall not be taken into account in determining ownership:
 - (i) stock held by members of the expanded affiliated group which includes the foreign incorporated entity; or
 - (ii) stock of such entity which is sold in a public offering related to the acquisition described in subsection (b)(1) of Section 835 of the Homeland Security Act, Public Law 107-296.
- (2) Plan Deemed In Certain Cases. If a foreign incorporated entity acquires directly or indirectly substantially all of the properties of a domestic corporation or partnership during the 4-year period beginning on the date which is after the date of enactment of this Act and which is 2 years before the ownership requirements of subsection (b)(2) are met, such actions shall be treated as pursuant to a plan.

(3) **Certain Transfers Disregarded.** The transfer of properties or liabilities (including by contribution or distribution) shall be disregarded if such transfers are part of a plan a principal purpose of which is to avoid the purposes of this section.

(d) **Special Rule for Related Partnerships.**

For purposes of applying Section 835(b) of Public Law 107-296 to the acquisition of a domestic partnership, except as provided in regulations, all domestic partnerships which are under common control (within the meaning of section 482 of the Internal Revenue Code of 1986) shall be treated as a partnership.

(e) **Treatment of Certain Rights.**

(1) Certain rights shall be treated as stocks to the extent necessary to reflect the present value of all equitable interests incident to the transaction, as follows:

- (i) warrants;
- (ii) options;
- (iii) contracts to acquire stock;
- (iv) convertible debt instruments; and
- (v) others similar interests.

(2) Rights labeled as stocks shall not be treated as stocks whenever it is deemed appropriate to do so to reflect the present value of the transaction or to disregard transactions whose recognition would defeat the purpose of Section 835.

(f) **Disclosure.**

By signing and submitting its offer, an Offeror under this solicitation represents that it not a foreign incorporated entity that should be treated as an inverted domestic corporation pursuant to the criteria of Section 835 of the Homeland Security Act, Public Law 107-296 of November 25, 2002.

(g) If a waiver has been granted, a copy of the approved waiver shall be attached to the bid or proposal.

I-7: INSURANCE (HSAR 3052.228-70) (DEC 2003)

In accordance with the clause entitled "Insurance - Work on a Government Installation" [or Insurance - Liability to Third Persons] in Section I, insurance of the following kinds and minimum amounts shall be provided and maintained during the period of performance of this contract:

- (a) Worker's compensation and employer's liability. The contractor shall, as a minimum, meet the requirements specified at (FAR) 48 CFR 28.307-2(a).
- (b) General liability. The contractor shall, as a minimum, meet the requirements specified at (FAR) 48 CFR 28.307-2(b).
- (c) Automobile liability. The contractor shall, as a minimum, meet the requirements specified at (FAR) 48 CFR 28.307-2(c).

I-8: PRECONTRACT COSTS (HSAR 3052.231-70) (DEC 2003)

The Contractor shall be entitled to reimbursement for pre-contract costs incurred on or after 10 July 2006 in an amount not to exceed \$500,000 that, if incurred after this contract had been entered into, would have been reimbursable under this contract.

SECTION J - ATTACHMENTS

RESERVED

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SECTION K - REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENTS OF BIDDERS**K-1: Annual Representations and Certifications. (JAN 2006) 52.204-8**

(a)(1) The North American Industry Classification System (NAICS) code for this acquisition is: 611310.

(2) The small business size standard is \$6.5M.

(3) The small business size standard for a concern which submits an offer in its own name, other than on a construction or service contract, but which proposes to furnish a product which it did not itself manufacture, is 500 employees.

(b)(1) If the clause at 52.204-7, Central Contractor Registration, is included in this solicitation, paragraph (c) of this provision applies.

(2) If the clause at 52.204-7 is not included in this solicitation, and the offeror is currently registered in CCR, and has completed the ORCA electronically, the offeror may choose to use paragraph (c) of this provision instead of completing the corresponding individual representations and certifications in the solicitation. The offeror shall indicate which option applies by checking one of the following boxes:

(i) Paragraph (c) applies.

(ii) Paragraph (c) does not apply and the offeror has completed the individual representations and certifications in the solicitation.

(c) The offeror has completed the annual representations and certifications electronically via the Online Representations and Certifications Application (ORCA) website at <http://orca.bpn.gov>. After reviewing the ORCA database information, the offeror verifies by submission of the offer that the representations and certifications currently posted electronically have been entered or updated within the last 12 months, are current, accurate, complete, and applicable to this solicitation (including the business size standard applicable to the NAICS code referenced for this solicitation), as of the date of this offer and are incorporated in this offer by reference (see FAR 4.1201); except for the changes identified below [*offeror to insert changes, identifying change by clause number, title, date*]. These amended representation(s) and/or certification(s) are also incorporated in this offer and are current, accurate, and complete as of the date of this offer.

FAR Clause	Title	Date	Change

Any changes provided by the offeror are applicable to this solicitation only, and do not result in an update to the representations and certifications posted on ORCA.

(End of Provision)

K-2: Place of Performance. (OCT 1997) 52.215-6

(a) The offeror or respondent, in the performance of any contract resulting from this solicitation, intends, does not intend [*check applicable block*] to use one or more plants or facilities located at a different address from the address of the offeror or respondent as indicated in this proposal or response to request for information.

(b) If the offeror or respondent checks "intends" in paragraph (a) of this provision, it shall insert in the following spaces the required information:

Place of Performance (Street Address, City, State, County, ZIP Code)	Name and Address of Owner and Operator of the Plant or Facility if Other than Offeror or Respondent
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(End of provision)

K-3: Certification of Toxic Chemical Release Reporting. (AUG 2003) 52.223-13

(a) Executive Order 13148, of April 21, 2000, Greening the Government through Leadership in Environmental Management, requires submission of this certification as a prerequisite for contract award.

(b) By signing this offer, the offeror certifies that -

(1) As the owner or operator of facilities that will be used in the performance of this contract that are subject to the filing and reporting requirements described in section 313 of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) (42 U.S.C. 11023) and section 6607 of the Pollution Prevention Act of 1990 (PPA) (42 U.S.C. 13106), the offeror will file and continue to file for such facilities for the life of the contract the Toxic Chemical Release Inventory Form (Form R) as described in sections 313(a) and (g) of EPCRA and section 6607 of PPA; or

(2) None of its owned or operated facilities to be used in the performance of this contract is subject to the Form R filing and reporting requirements because each such facility is exempt for at least one of the following reasons: [*Check each block that is applicable.*]

(i) The facility does not manufacture, process, or otherwise use any toxic chemicals listed in 40 CFR 372.65;

(ii) 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);

(iii) 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);

(iv) The facility does not fall within the following Standard Industrial Classification (SIC) codes or their corresponding North American Industry Classification System sectors:

(A) Major group code 10 (except 1011, 1081, and 1094.

(B) Major group code 12 (except 1241).

(C) Major group codes 20 through 39.

(D) 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).

(E) Industry code 4953 (limited to facilities regulated under the Resource Conservation and Recovery Act, Subtitle C (42 U.S.C. 6921, et seq.), 5169, 5171, or 7389 (limited to facilities primarily engaged in solvent recovery services on a contract or fee basis); or

[] (v) The facility is not located in the United States or its outlying areas.

(End of provision)

K-4: Cost Accounting Standards Notices and Certification. (JUN 2000) 52.230-1

Note: This notice does not apply to small businesses or foreign governments. This notice is in three parts, identified by Roman numerals I through III.

Offerors shall examine each part and provide the requested information in order to determine Cost Accounting Standards (CAS) requirements applicable to any resultant contract.

If the offeror is an educational institution, Part II does not apply unless the contemplated contract will be subject to full or modified CAS coverage pursuant to 48 CFR 9903.201-2(c)(5) or 9903.201-2(c)(6), respectively.

I. Disclosure Statement - Cost Accounting Practices and Certification

(a) Any contract in excess of \$500,000 resulting from this solicitation will be subject to the requirements of the Cost Accounting Standards Board (48 CFR Chapter 99), except for those contracts which are exempt as specified in 48 CFR 9903.201-1.

(b) Any offeror submitting a proposal which, if accepted, will result in a contract subject to the requirements of 48 CFR Chapter 99 must, as a condition of contracting, submit a Disclosure Statement as required by 48 CFR 9903.202. When required, the Disclosure Statement must be submitted as a part of the offeror's proposal under this solicitation unless the offeror has already submitted a Disclosure Statement disclosing the practices used in connection with the pricing of this proposal. If an applicable Disclosure Statement has already been submitted, the offeror may satisfy the requirement for submission by providing the information requested in paragraph (c) of Part I of this provision.

Caution: In the absence of specific regulations or agreement, a practice disclosed in a Disclosure Statement shall not, by virtue of such disclosure, be deemed to be a proper, approved, or agreed-to practice for pricing proposals or accumulating and reporting contract performance cost data.

(c) Check the appropriate box below:

(1) *Certificate of Concurrent Submission of Disclosure Statement.* The offeror hereby certifies that, as a part of the offer, copies of the Disclosure Statement have been submitted as follows:

(i) Original and one copy to the cognizant Administrative Contracting Officer (ACO) or cognizant Federal agency official authorized to act in that capacity (Federal official), as applicable; and

(ii) One copy to the cognizant Federal auditor.

(Disclosure must be on Form No. CASB DS-1 or CASB DS-2, as applicable. Forms may be obtained from the cognizant ACO or Federal official and/or from the loose-leaf version of the Federal Acquisition Regulation.)

Date of Disclosure Statement: [Name and Address of Cognizant ACO or Federal Official Where Filed:]

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

(2) *Certificate of Previously Submitted Disclosure Statement.* The offeror hereby certifies that the required Disclosure Statement was filed as follows:

Date of Disclosure Statement: []

Name and Address of Cognizant ACO or Federal Official Where Filed: []

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

(3) *Certificate of Monetary Exemption.* The offeror hereby certifies that the offeror, together with all divisions, subsidiaries, and affiliates under common control, did not receive net awards of negotiated prime contracts and subcontracts subject to CAS totaling \$50 million or more in the cost accounting period immediately preceding the period in which this proposal was submitted. The offeror further certifies that if such status changes before an award resulting from this proposal, the offeror will advise the Contracting Officer immediately.

(4) *Certificate of Interim Exemption.* The offeror hereby certifies that (i) the offeror first exceeded the monetary exemption for disclosure, as defined in (3) of this subsection, in the cost accounting period immediately preceding the period in which this offer was submitted and (ii) in accordance with 48 CFR 9903.202-1, the offeror is not yet required to submit a Disclosure Statement. The offeror further certifies that if an award resulting from this proposal has not been made within 90 days after the end of that period, the offeror will immediately submit a revised certificate to the Contracting Officer, in the form specified under subparagraph (c)(1) or (c)(2) of Part I of this provision, as appropriate, to verify submission of a completed Disclosure Statement.

Caution: Offerors currently required to disclose because they were awarded a CAS-covered prime contract or subcontract of \$50 million or more in the current cost accounting period may not claim this exemption (4). Further, the exemption applies only in connection with proposals submitted before

expiration of the 90-day period following the cost accounting period in which the monetary exemption was exceeded.

II. Cost Accounting Standards - Eligibility for Modified Contract Coverage

If the offeror is eligible to use the modified provisions of 48 CFR 9903.201-2(b) and elects to do so, the offeror shall indicate by checking the box below. Checking the box below shall mean that the resultant contract is subject to the Disclosure and Consistency of Cost Accounting Practices clause in lieu of the Cost Accounting Standards clause.

The offeror hereby claims an exemption from the Cost Accounting Standards clause under the provisions of 48 CFR 9903.201-2(b) and certifies that the offeror is eligible for use of the Disclosure and Consistency of Cost Accounting Practices clause because during the cost accounting period immediately preceding the period in which this proposal was submitted, the offeror received less than \$50 million in awards of CAS-covered prime contracts and subcontracts. The offeror further certifies that if such status changes before an award resulting from this proposal, the offeror will advise the Contracting Officer immediately.

Caution: An offeror may not claim the above eligibility for modified contract coverage if this proposal is expected to result in the award of a CAS-covered contract of \$50 million or more or if, during its current cost accounting period, the offeror has been awarded a single CAS-covered prime contract or subcontract of \$50 million or more.

III. Additional Cost Accounting Standards Applicable to Existing Contracts

The offeror shall indicate below whether award of the contemplated contract would, in accordance with subparagraph (a)(3) of the Cost Accounting Standards clause, require a change in established cost accounting practices affecting existing contracts and subcontracts.

yes no

(End of provision)

K-5: Proposal Disclosure – Cost Accounting Practice Changes. (APR 2005) 52.230-7

The offeror shall check "yes" below if the contract award will result in a required or unilateral change in cost accounting practice, including unilateral changes requested to be desirable changes.

Yes
 No

If the offeror checked "Yes" above, the offeror shall--

- (1) Prepare the price proposal in response to the solicitation using the changed practice for the period of performance for which the practice will be used; and
- (2) Submit a description of the changed cost accounting practice to the Contracting Officer and the Cognizant Federal Agency Official as pricing support for the proposal.

(End of provision)