



communications

Security & Detection Systems
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Woburn, MA 01801
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www.l-3com.com

May 31, 2005

In reply refer to:
JG/L3SD/L1717

Department of Homeland Security
Customs & Border Protection
Office of Procurement – NP 1310
1300 Pennsylvania Avenue N.W.
Washington DC 20229

Attention: Mr. Terrence Lew, Contracting Officer

Subject: Solicitation Number HSBP1005R0376, Large Scale Non-Intrusive
Inspection (NII) Imaging Systems, Firm Fixed Price Proposal,
Submission Of

Enclosure: (1) Volume I – Technical Proposal
Volume II – Business Proposal

Gentlemen:

L-3 Communications Security and Detection Systems, Inc. (L-3 SDS) submits
Enclosure (1) in response to the subject solicitation as its firm fixed price proposal
for Large Scale Non-Intrusive Inspection (NII) Imaging Systems.

This proposal shall remain valid for of one hundred eighty (180) days from
the proposal due date.

If you should have any questions concerning this matter, please contact the
undersigned at telephone number (b) (6), fax number 781-939-3996
or email: (b) (6)

Very truly yours,
L-3 Communications Security
and Detection Systems, Inc.

(b) (6)

Director of Contracts

ORIGINAL

Business Proposal (Volume 2)

**Department of Homeland Security
Customs & Border Protection**

**Large Scale Non Intrusive Inspection (NII) Systems
HSBP1005R0376**



Prepared By



Telephone: 781-939-3800

www.dsxray.com

PREFACE

Proprietary Information Notice

This document contains trade secrets, commercial, financial or other information which is PROPRIETARY, to L-3 Communications Security & Detection Systems, Inc., of Woburn, MA USA and may be used only in connection with evaluating the proposal herein. This document contains information that is protected by copyright, and all rights are reserved. No portion of this document may be copied, photocopied, reproduced by any means, or translated into another language without the prior written consent of L-3 Communications, Security & Detection Systems, Inc.

BUSINESS INFORMATION

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1 Form 1449

SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS <i>OFFEROR TO COMPLETE BLOCKS 12,17,23,24, & 30</i>				1. REQUISITION NUMBER 0020011251		PAGE OF PAGES 1 2	
2. CONTRACT NO.		3. AWARD/EFF. DATE	4. ORDER NUMBER		5. SOLICITATION NUMBER HSBP1005R0376		6. SOLICITATION ISSUE DATE
7. FOR SOLICITATION INFORMATION CALL:		a. NAME (b) (6)			b. TELEPHONE NUMBER (No collect calls) (b) (6)		8. OFFER DUE DATE/ LOCAL TIME
9. ISSUED BY Department of Homeland Security Customs & Border Protection 1300 Pennsylvania Ave, NW NP 1310 Washington DC 20229		10. THIS ACQUISITION IS <input checked="" type="checkbox"/> UNRESTRICTED OR <input type="checkbox"/> SET ASIDE : _____ % FOR: <input type="checkbox"/> SMALL BUSINESS <input type="checkbox"/> EMERGING SMALL BUSINESS <input type="checkbox"/> HUBZONE SMALL BUSINESS <input type="checkbox"/> 8(A) <input type="checkbox"/> SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS NAICS: 334517 SIZE STANDARD: 0500 EMPLOYEES					
11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED <input type="checkbox"/> SEE SCHEDULE		12. DISCOUNT TERMS		<input checked="" type="checkbox"/> 13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700) 13b. RATING		14. METHOD OF SOLICITATION <input type="checkbox"/> RFQ <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP	
15. DELIVER TO See Attached Delivery Schedule		DELIVERY DATE		16. ADMINISTERED BY Dept of Homeland Security Customs & Border Protection Office of Procurement - NP 1310 1300 Pennsylvania Ave., NW Washington DC 20229			
17a. CONTRACTOR/ OFFEROR L-3 Communications Security and Detection Systems, Inc. 10 Commerce Way Woburn, MA 01801 TELEPHONE NO. 781-939-3800		FACILITY CODE 11966 TIN NO.		18a. PAYMENT WILL BE MADE BY DHS - Customs & Border Protection National Finance Center P.O. Box 68908 Indianapolis IN 46268			
<input type="checkbox"/> 17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER.				18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BLOCK BELOW IS CHECKED. <input type="checkbox"/> SEE ADDENDUM			
19. ITEM NO. 00000		20. SCHEDULE OF SUPPLIES/SERVICES Large Scale NII Equipment		21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
25. ACCOUNTING AND APPROPRIATION DATA						26. TOTAL AWARD AMOUNT (For Govt Use Only)	
<input checked="" type="checkbox"/> 27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4. FAR 52.212-3 AND 52.212-5 ARE ATTACHED. ADDENDA <input type="checkbox"/> ARE <input checked="" type="checkbox"/> ARE NOT ATTACHED.							
<input type="checkbox"/> 27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4. FAR 52.212-5 IS ATTACHED. ADDENDA <input type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED.							
<input type="checkbox"/> 28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN _____ COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED HEREIN.				<input type="checkbox"/> 29. AWARD OF CONTRACT: REF. _____ OFFER DATED _____ YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS: _____			
(b) (6) Director of Contracts				31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER)			
				30c. DATE SIGNED 5/31/2005		31b. NAME OF CONTRACTING OFFICER (TYPE OR PRINT) Terence Lew	

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE	PAGE OF PAGES 1 2
2. AMENDMENT/MODIFICATION NO. 0001	3. EFF. DATE 05/24/2005	4. REQUISITION/PURCHASE REQ. NO. 0020011251	5. PROJECT NO. (If applicable)	
6. ISSUED BY CODE 7014 Department of Homeland Security Customs & Border Protection 1300 Pennsylvania Ave, NW NP 1310 Washington DC 20229		7. ADMINISTERED BY (If other than Item 6) CODE Dept of Homeland Security Customs & Border Protection Office of Procurement - NP 1310 1300 Pennsylvania Ave., NW Washington DC 20229		
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and Zip Code) <i>L-3 Communications Security and Detection Systems, Inc. 10 Commerce Way Woburn, MA 01801</i>			X	9A. AMENDMENT OF SOLICITATION NO. HSBP1005R0376
				9B. DATED (SEE ITEM 11) 05/06/2005
				10A. MODIFICATION OF CONTRACT/ORDER NO. /
CODE	FACILITY CODE <i>IVGCL</i>			10B. DATED (SEE ITEM 13)

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers is extended, is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning 9 copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (Such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103 (b).
C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor is not is required to sign this document and return _____ copies to issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

1. Proposal Due Date:

Proposals are due to the contracting officer not later than 10:00 AM, local time, June 1, 2005. Proposals shall be provided in hard copy only with an original plus eight copies. U.S Postal Service and overnight mailing addresses are shown in RFP paragraph L.1.4.

Note: The Government plans to schedule oral presentations and product demonstrations starting June 13, 2005, and ending June 24, 2005.

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print) (b) (6) <i>Director of Contracts</i>		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Terence Lew Contracting Officer	
(b) (6) to sign		15C. DATE SIGNED <i>5/31/2005</i>	16B. UNITED STATES OF AMERICA BY _____ (Signature of Contracting Officer)
			16C. DATE SIGNED



2 Representations and Certifications

- (b) The copy of any protest shall be received in the office designated above within one day of filing a protest with the GAO.

[End of Provision]

[END OF ADDENDUM TO FAR 52.212-1]

A.21 52.212-2 EVALUATION--COMMERCIAL ITEMS (JAN 1999)

- (a) The Government will award a contract resulting from this solicitation to the responsible offeror whose offer conforming to the solicitation will be most advantageous to the Government, price and other factors considered. The following factors shall be used to evaluate offers:

See solicitation attachment 4, Section M

Technical and past performance, when combined, are -- See RFP attachment 4, Section M..

- (b) Options. The Government will evaluate offers for award purposes by adding the total price for all options to the total price for the basic requirement. The Government may determine that an offer is unacceptable if the option prices are significantly unbalanced. Evaluation of options shall not obligate the Government to exercise the option(s).
- (c) A written notice of award or acceptance of an offer, mailed or otherwise furnished to the successful offeror within the time for acceptance specified in the offer, shall result in a binding contract without further action by either party. Before the offer's specified expiration time, the Government may accept an offer (or part of an offer), whether or not there are negotiations after its receipt, unless a written notice of withdrawal is received before award.

[End of Provision]

A.22 52.212-3 OFFEROR REPRESENTATIONS AND CERTIFICATIONS-- COMMERCIAL ITEMS (MAR 2005)

An offeror shall complete only paragraph (j) of this provision if the offeror has completed the annual representations and certifications electronically at <http://orca.bpn.gov>. If an offeror has not completed the annual representations and certifications electronically at the ORCA website, the offeror shall complete only paragraphs (b) through (i) of this provision.

- (a) Definitions. As used in this provision:

"Emerging small business" means a small business concern whose size is no greater than 50 percent of the numerical size standard for the NAICS code designated.

"Forced or indentured child labor" means all work or service--

- (1) Exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or
- (2) Performed by any person under the age of 18 pursuant to a contract the enforcement of which can be accomplished by process or penalties.

"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 concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR part 121 and size standards in this solicitation.

"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 business concern" means a concern which 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 its stock is owned by one or more women; and whose management and daily business operations are controlled by one or more women.

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

- (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.

(b) Taxpayer Identification Number (TIN) (26 U.S.C. 6109, 31 U.S.C. 7701). (Not applicable if the offeror is required to provide this information to a central contractor registration database to be eligible for award.)

- (1) All offerors must submit the information required in paragraphs (b)(3) through (b)(5) of this provision to comply with debt collection requirements of 31 U.S.C. 7701(c) and 3325(d), reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M, and implementing regulations issued by the Internal Revenue Service (IRS).
- (2) The TIN may be used by the Government to collect and report on any delinquent amounts arising out of the offeror's relationship with the Government (31 U.S.C. 7701(c)(3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with IRS records to verify the accuracy of the offeror's TIN.

(3) Taxpayer Identification Number (TIN).

TIN: **(b)(3); (b)(4)** _____.

TIN has been applied for.

TIN is not required because:

- Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States;
- Offeror is an agency or instrumentality of a foreign government;
- Offeror is an agency or instrumentality of the Federal Government.

(4) Type of organization.

- Sole proprietorship;
- Partnership;
- Corporate entity (not tax-exempt);
- Corporate entity (tax-exempt);
- Government entity (Federal, State, or local);
- Foreign government;
- International organization per 26 CFR 1.6049-4;
- Other _____.

(5) Common parent.

- Offeror is not owned or controlled by a common parent;
- Name and TIN of common parent:
Name _____
TIN _____

(c) Offerors must complete the following representations when the resulting contract will be performed in the United States or its outlying areas. Check all that apply.

- (1) Small business concern. The offeror represents as part of its offer that it is, is not a small business concern.
- (2) Veteran-owned small business concern. [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents as part of its offer that it is, is not a veteran-owned small business concern.
- (3) Service-disabled veteran-owned small business concern. [Complete only if the offeror represented itself as a veteran-owned small business concern in paragraph (c)(2) of this provision.] The offeror represents as part of its offer that it is, is not a service-disabled veteran-owned small business concern.
- (4) Small disadvantaged business concern. [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents, for general statistical purposes, that it is, is not a small disadvantaged business concern as defined in 13 CFR 124.1002.
- (5) Women-owned small business concern. [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents that it is, is not a women-owned small business concern.

Note: Complete paragraphs (c)(6) and (c)(7) only if this solicitation is expected to exceed the simplified acquisition threshold.

- (6) Women-owned business concern (other than small business concern). [Complete only if the offeror is a women-owned business concern and did not represent itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents that it is a women-owned business concern.

(7) Tie bid priority for labor surplus area concerns. If this is an invitation for bid, small business offerors may identify the labor surplus areas in which costs to be incurred on account of manufacturing or production (by offeror or first-tier subcontractors) amount to more than 50 percent of the contract price:

(8) Small Business Size for the Small Business Competitiveness Demonstration Program and for the Targeted Industry Categories under the Small Business Competitiveness Demonstration Program. [Complete only if the offeror has represented itself to be a small business concern under the size standards for this solicitation.]

(i) [Complete only for solicitations indicated in an addendum as being set-aside for emerging small businesses in one of the designated industry groups (DIGs).] The offeror represents as part of its offer that it is, is not an emerging small business.

(ii) [Complete only for solicitations indicated in an addendum as being for one of the targeted industry categories (TICs) or designated industry groups (DIGs).] Offeror represents as follows:

(A) Offeror's number of employees for the past 12 months (check the Employees column if size standard stated in the solicitation is expressed in terms of number of employees); or

(B) Offeror's average annual gross revenue for the last 3 fiscal years (check the Average Annual Gross Number of Revenues column if size standard stated in the solicitation is expressed in terms of annual receipts).

(Check one of the following):

Number of Employees	Average Annual Gross Revenues
<input type="checkbox"/> 50 or fewer	<input type="checkbox"/> \$1 million or less
<input type="checkbox"/> 51-100	<input type="checkbox"/> \$1,000,001-\$2 million
<input type="checkbox"/> 101-250	<input type="checkbox"/> \$2,000,001-\$3.5 million
<input type="checkbox"/> 251-500	<input type="checkbox"/> \$3,500,001-\$5 million
<input type="checkbox"/> 501-750	<input type="checkbox"/> \$5,000,001-\$10 million
<input type="checkbox"/> 751-1,000	<input type="checkbox"/> \$10,000,001-\$17 million
<input type="checkbox"/> Over 1,000	<input type="checkbox"/> Over \$17 million

(9) [Complete only if the solicitation contains the clause at FAR 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns, or FAR 52.219-25, Small Disadvantaged Business Participation Program--Disadvantaged Status and Reporting, and the offeror desires a benefit based on its disadvantaged status.]

(i) General. The offeror represents that either--

(A) It is, is not certified by the Small Business Administration as a small disadvantaged business concern and identified, on the date of this representation, as a certified small disadvantaged business concern in the database maintained by the Small Business Administration (PRO-Net), and that no material change in disadvantaged ownership and control has occurred since its certification, and, where the concern is owned by one or more individuals claiming disadvantaged status, 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); or

(B) It has, has not submitted a completed application to the Small Business Administration or a Private Certifier to be certified as a small disadvantaged business concern in accordance with 13 CFR 124, Subpart B, and a decision on that application is pending, and that no material change in disadvantaged ownership and control has occurred since its application was submitted.

- (ii) Joint Ventures under the Price Evaluation Adjustment for Small Disadvantaged Business Concerns. The offeror represents, as part of its offer, that it is a joint venture that complies with the requirements in 13 CFR 124.1002(f) and that the representation in paragraph (c)(7)(i) of this provision is accurate for the small disadvantaged business concern that is participating in the joint venture. [The offeror shall enter the name of the small disadvantaged business concern that is participating in the joint venture:_____.]

- (10) HUBZone small business concern. [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents, as part of its offer, that--
 - (i) It is, is not a HUBZone small business concern listed, on the date of this representation, on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration, and no material change in ownership and control, principal office, or HUBZone employee percentage has occurred since it was certified by the Small Business Administration in accordance with 13 CFR part 126; and
 - (ii) It is, is not a joint venture that complies with the requirements of 13 CFR part 126, and the representation in paragraph (c)(10)(i) of this provision is accurate for the HUBZone small business concern or concerns that are participating in the joint venture. [The offeror shall enter the name or names of the HUBZone small business concern or concerns that are participating in the joint venture:_____.] Each HUBZone small business concern participating in the joint venture shall submit a separate signed copy of the HUBZone representation.

- (d) Representations required to implement provisions of Executive Order 11246--
 - (1) Previous contracts and compliance. The offeror represents that--
 - (i) It has, has not participated in a previous contract or subcontract subject to the Equal Opportunity clause of this solicitation; and
 - (ii) It has, has not filed all required compliance reports.
 - (2) Affirmative Action Compliance. The offeror represents that--
 - (i) It has developed and has on file, has not developed and does not have on file, at each establishment, affirmative action programs required by rules and regulations of the Secretary of Labor (41 CFR parts 60-1 and 60-2), or
 - (ii) It has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

- (e) Certification Regarding Payments to Influence Federal Transactions (31 U.S.C. 1352). (Applies only if the contract is expected to exceed \$100,000.) By submission of its offer, the offeror certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress on his or her behalf in connection with the award of any resultant contract.

- (f) Buy American Act Certificate. (Applies only if the clause at Federal Acquisition Regulation (FAR) 52.225-1, Buy American Act--Supplies, is included in this solicitation.)
 - (1) The offeror certifies that each end product, except those listed in paragraph (f)(2) of this provision, is a domestic end product and that the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The offeror shall list as foreign end products those end products manufactured in the United States that do not qualify as domestic end products. The terms "component," "domestic end product," "end product," "foreign end product," and "United States" are defined in the clause of this solicitation entitled "Buy American Act--Supplies."
 - (2) Foreign End Products:

LINE ITEM NO	COUNTRY OF ORIGIN
_____	_____

(List as necessary)

(3) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25.

(g) (1) Buy American Act--Free Trade Agreements--Israeli Trade Act Certificate. (Applies only if the clause at FAR 52.225-3, Buy American Act--Free Trade Agreements--Israeli Trade Act, is included in this solicitation.)

(i) The offeror certifies that each end product, except those listed in paragraph (g)(1)(ii) or (g)(1)(iii) of this provision, is a domestic end product and that the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The terms "component," "domestic end product," "end product," "foreign end product," and "United States" are defined in the clause of this solicitation entitled "Buy American Act--Free Trade Agreements--Israeli Trade Act."

(ii) The offeror certifies that the following supplies are end products of Australia, Canada, Chile, Mexico, or Singapore, or Israeli end products as defined in the clause of this solicitation entitled "Buy American Act--Free Trade Agreements--Israeli Trade Act":

End Products of Australia, Canada, Chile, Mexico, or Singapore or Israeli End Products:

LINE ITEM NO COUNTRY OF ORIGIN

(List as necessary)

(iii) The offeror shall list those supplies that are foreign end products (other than those listed in paragraph (g)(1)(ii) of this provision) as defined in the clause of this solicitation entitled "Buy American Act--Free Trade Agreements--Israeli Trade Act." The offeror shall list as other foreign end products those end products manufactured in the United States that do not qualify as domestic end products.

Other Foreign End Products:

LINE ITEM NO COUNTRY OF ORIGIN

(List as necessary)

(iv) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25.

(2) Buy American Act--Free Trade Agreements--Israeli Trade Act Certificate, Alternate I (Jan 2004). If Alternate I to the clause at FAR 52.225-3 is included in this solicitation, substitute the following paragraph (g)(1)(ii) for paragraph (g)(1)(ii) of the basic provision:

(g) (1) (ii) The offeror certifies that the following supplies are Canadian end products as defined in the clause of this solicitation entitled "Buy American Act--Free Trade Agreements--Israeli Trade Act":

Canadian End Products:

LINE ITEM NO

(List as necessary)

(3) Buy American Act--Free Trade Agreements--Israeli Trade Act Certificate, Alternate II (Jan 2004). If Alternate II to the clause at FAR 52.225-3 is included in this solicitation, substitute the following paragraph (g)(1)(ii) for paragraph (g)(1)(ii) of the basic provision:

(g) (1) (ii) The offeror certifies that the following supplies are Canadian end products or Israeli end products as defined in the clause of this solicitation entitled "Buy American Act--Free Trade Agreements--Israeli Trade Act":

Canadian or Israeli End Products:

LINE ITEM NO COUNTRY OF ORIGIN

(List as necessary)

(4) Trade Agreements Certificate. (Applies only if the clause at FAR 52.225-5, Trade Agreements, is included in this solicitation.)

(i) The offeror certifies that each end product, except those listed in paragraph (g)(4)(ii) of this provision, is a U.S.-made or designated country end product, as defined in the clause of this solicitation entitled "Trade Agreements."

(ii) The offeror shall list as other end products those end products that are not U.S.-made or designated country end products.

Other End Products:

LINE ITEM NO COUNTRY OF ORIGIN

(List as necessary)

(iii) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25. For line items covered by the WTO GPA, the Government will evaluate offers of U.S.-made or designated country end products without regard to the restrictions of the Buy American Act. The Government will consider for award only offers of U.S.-made or designated country end products unless the Contracting Officer determines that there are no offers for such products or that the offers for such products are insufficient to fulfill the requirements of the solicitation.

(h) Certification Regarding Debarment, Suspension or Ineligibility for Award (Executive Order 12549). (Applies only if the contract value is expected to exceed the simplified acquisition threshold.) The offeror certifies, to the best of its knowledge and belief, that the offeror and/or any of its principals--

- (1) Are, are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency; and
 - (2) Have, have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: Commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a Federal, state or local government contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and
 - (3) Are, are not presently indicted for, or otherwise criminally or civilly charged by a Government entity with, commission of any of these offenses.
- (i) Certification Regarding Knowledge of Child Labor for Listed End Products (Executive Order 13126). [The Contracting Officer must list in paragraph (i)(1) any end products being acquired under this solicitation that are included in the List of Products Requiring Contractor Certification as to Forced or Indentured Child Labor, unless excluded at 22.1503(b).]

(1) Listed end products.

Listed End Product

Listed Countries of Origin

- (2) Certification. [If the Contracting Officer has identified end products and countries of origin in paragraph (i)(1) of this provision, then the offeror must certify to either (i)(2)(i) or (i)(2)(ii) by checking the appropriate block.]
 - (i) The offeror will not supply any end product listed in paragraph (i)(1) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product.
 - (ii) The offeror may supply an end product listed in paragraph (i)(1) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product. The offeror certifies that it has made a good faith effort to determine whether forced or indentured child labor was used to mine, produce, or manufacture any such end product furnished under this contract. On the basis of those efforts, the offeror certifies that it is not aware of any such use of child labor.
- (j) (1) Annual Representations and Certifications. Any changes provided by the offeror in paragraph (j) of this provision do not automatically change the representations and certifications posted on the Online Representations and Certifications Application (ORCA) website.
- (2) The offeror has completed the annual representations and certifications electronically via the ORCA website at <http://orca.bpn.gov>. After reviewing the ORCA database information, the offeror verifies by submission of this offer that the representations and certifications currently posted electronically at FAR 52.212-3, Offeror Representations and Certifications-Commercial Items, have been entered or updated in 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 paragraphs

[Offeror to identify the applicable paragraphs at (b) through (i) of this provision that the offeror has completed for the purposes of this solicitation only, if any.

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.

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]

3 Subcontracting Plan



DEPARTMENT OF HOMELAND SECURITY
U.S. CUSTOMS AND BORDER PROTECTION
SMALL, HUBZone SMALL, SMALL DISADVANTAGED,
WOMEN-OWNED, VETERAN-OWNED AND SERVICE-DISABLED
VETERAN-OWNED SMALL BUSINESS
SUBCONTRACTING PLAN OUTLINE

The following outline meets the minimum requirements of Public Law 95-507 and the Federal Acquisition Regulation (FAR) Subparts 19.7. It is intended to be a guideline. It is not intended to replace any existing corporate plan which is more extensive. If assistance is needed to locate small business sources, contact Mr. William Bickelman, Small Business Specialist at (202) 344-1168, e-mail: William.Bickelman@dhs.gov. Please note that the U.S. Customs and Border Protection (CBP) has subcontracting goals for small business, HUBZONE small business, for small disadvantaged business, for women-owned small business, for Veteran-Owned small business concerns and for Service-Disabled Veteran-Owned Small business concerns. Customs and Border Protection will not accept a zero goal for any subcontracting category. If the offeror proposes to do all of the work with his own employees, please contact the Small Business Specialist prior to submitting a proposal for additional guidance.

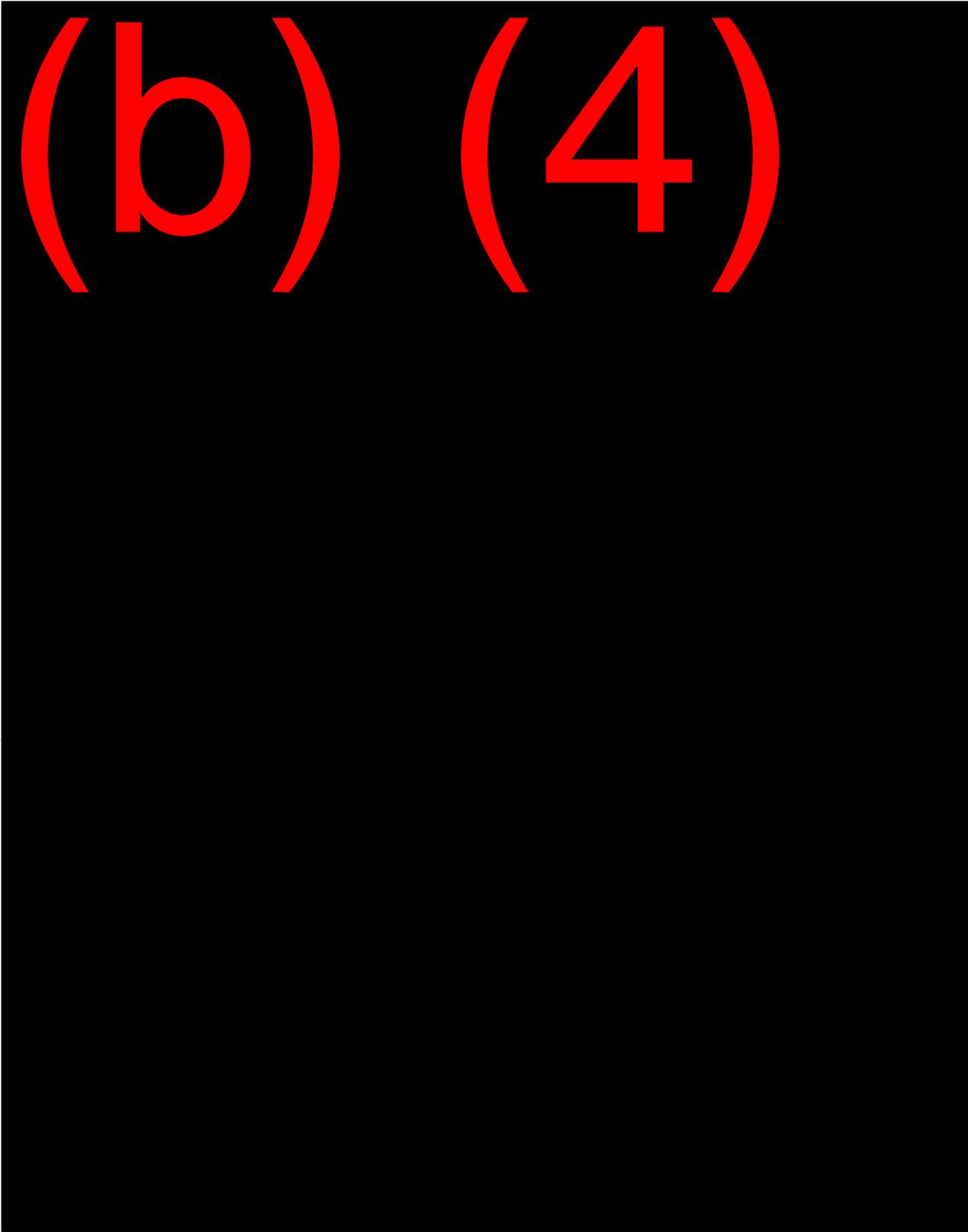
Identification Data:

Company Name: L-3 Communications Security and Detection Systems, Inc.
Address: 10 Commerce Way, Woburn, MA 01801
Date Prepared: 5/26/2005 Solicitation Number: HSBP1005R0376
Item/Service: Large Scale Non-Intrusive Imaging System
Place of Performance: Woburn, MA

1. TYPE OF PLAN: (Check only one).

- INDIVIDUAL PLAN: In this type of plan all elements are developed specifically for this contract and are applicable for the full term of this contract.
- MASTER PLAN: In this type of plan, goals are developed for this contract; all other elements are standard. The master plan must be approved every three (3) years. Once incorporated into a contract with specific goals, it is valid for the life of the contract.
- COMMERCIAL PLAN: This type of plan is used when the contractor sells products and services customarily used for non-government purposes. Plan/goals are negotiated with the initial agency on a company-wide basis rather than for individual contracts. The plan is effective only during year approved. The contractor must provide a copy of the initial agency approval, AND MUST SUBMIT AN ANNUAL SF 295 TO TREASURY WITH A BREAKOUT OF SUBCONTRACTING PRORATED FOR TREASURY (WITH A BUREAU BREAKDOWN, IF POSSIBLE).

2. GOALS:



RFP HSBP1005R0376, Amendment 1

F. Estimated dollar value and percentage of planned subcontracting to veteran-owned small business concerns is:

<u>FY_</u> <u>BASE</u>	<u>FY_</u> <u>1ST OPTION</u>	<u>FY_</u> <u>2ND OPTION</u>	<u>FY_</u> <u>3RD OPTION</u>	<u>FY</u> <u>4TH OPTION**</u>
\$ _____	\$ _____	\$ _____	\$ _____ \$ _____	
_____ %	_____ %	_____ %	_____ % _____ %	

G. Estimated dollar value and percentage of planned subcontracting to service-disabled veteran-owned small business concerns is:*

<u>FY_</u> <u>BASE</u>	<u>FY_</u> <u>1ST OPTION</u>	<u>FY_</u> <u>2ND OPTION</u>	<u>FY_</u> <u>3RD OPTION</u>	<u>FY</u> <u>4TH OPTION**</u>
\$ _____	\$ _____	\$ _____	\$ _____ \$ _____	
_____ %	_____ %	_____ %	_____ % _____ %	

*SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS CONCERNS IS A SUBSET OF VETERAN OWNED SMALL BUSINESS CONCERN CATEGORY

**IF ANY CONTRACT HAS MORE THAN FOUR OPTIONS, PLEASE ATTACH ADDITIONAL SHEETS SHOWING DOLLAR AMOUNTS AND PERCENTAGES.

H. Supplies and/or services to be subcontracted under this contract, business size (i.e., SB, HUBZone, SDB, WOSB, VOSB, SDVOSB and LB), and the estimated dollar expenditure, are: (Check all that apply).

SUPPLY/ SERVICE	COMPANY NAME (IF KNOWN)	BUSINESS SIZE (SB, HUBZone, SDB, WOSB, VOSB, SDVOSB, LB)	DOLLAR AMOUNT
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See Attachment 1 (Attach additional sheets if necessary.)

3. PLAN ADMINISTRATOR:

FAR 19.704(a)(7) requires information about the company employee who will administer the subcontracting program. Please provide the name, title, address, phone number, position within the corporate structure and the duties of that employee.

Name: (b) (6)
Title: Senior Buyer, Subcontract Administrator, SBCo
Address: 2005 Gandy Blvd. North, Suite 600, St. Petersburg, FL 33702
Telephone: (b) (6)
Position:

Duties: Does the individual named above perform the following? (If NO is checked, please indicate who in the company performs those duties, or indicate why the duties are not performed in your company).

- A. Developing and promoting company/division policy statements that demonstrate the company's/division's support for awarding contracts and subcontracts to small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small business concerns, and service-disabled veteran-owned small business concerns.
 YES NO
- B. Developing and maintaining bidders' lists of small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small business concerns and service-disabled veteran-owned small business concerns all possible sources.
 YES NO
- C. Ensuring periodic rotation of potential subcontractors on bidders' lists.
 YES NO
- D. Assuring that small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small businesses, and service-disabled veteran-owned small businesses are included on the bidders' list for every subcontract solicitation for products and services they are capable of providing.
 YES NO

RFP HSBP1005R0376, Amendment 1

- E. Ensuring that subcontract procurement "packages" are designed to permit the maximum possible participation of small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small businesses and service-disabled veteran-owned small businesses.
 YES NO
- F. Reviewing subcontract solicitations to remove statements, clauses, etc., which might tend to restrict or prohibit small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small business, service-disabled veteran-owned small business participation.
 YES NO
- G. Ensuring that the subcontract bid proposal review board documents its reasons for not selecting any low bids submitted by small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small business, and service-disabled veteran-owned small business concerns.
 YES NO
- H. Overseeing the establishment and maintenance of contract and subcontract award records.
 YES NO
- I. Attending or arranging for the attendance of company counselors at Business Opportunity Workshops, Minority Business Enterprise Seminars, Trade Fairs, etc.
 YES NO
- J. Directly or indirectly counseling small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small business concerns and service-disabled veteran-owned small business concerns on subcontracting opportunities and how to prepare responsive bids to the company.
 YES NO
- K. Providing notice to subcontractors concerning penalties for misrepresentations of business status as small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small or service-disabled veteran-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.
 YES NO
- L. Conducting or arranging training for purchasing personnel regarding the intent and impact of Public Law 95-907 on purchasing procedures.
 YES NO
- M. Developing and maintaining an incentive program for buyers which supports the subcontracting program.
 YES NO
- N. Monitoring the company's performance and making any adjustments necessary to achieve the subcontract plan goals.
 YES NO

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- O. Preparing and submitting timely reports.
 YES NO
- P. Coordinating the company's activities during compliance reviews by Federal agencies.
 YES NO

4. EQUITABLE OPPORTUNITY

FAR 19.704(a)(8) requires a description of the efforts your company will make to ensure that small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small, service-disabled veteran-owned small business concerns will have an equitable opportunity to compete for subcontracts. (Check all that apply.)

- A. Outreach efforts to obtain sources:
 - Contacting minority and small business trade associations
 - Contacting business development organizations
 - Attending small and minority business procurement conferences and trade fairs
 - Finding sources from the Small Business Administration's Procurement Network (ProNet)
- B. Internal efforts to guide and encourage purchasing personnel:
 - Presenting workshops, seminars and training programs
 - Establishing, maintaining and using small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small business, and service-disabled veteran-owned small source lists, guides and other data for soliciting subcontracts
 - Monitoring activities to evaluate compliance with the subcontracting plan

C. Additional efforts: (Please describe.)

5. CLAUSE INCLUSION AND FLOW DOWN

FAR 19.704(a)(9) requires that your company include FAR 52.219-8, "Utilization of Small Business Concerns", in all subcontracts that offer further subcontracting opportunities. Your company must require all subcontractors, except small business concerns, that receive subcontracts in excess of \$500,000 (\$1,000,000 for construction) to adopt and comply with a plan similar to the plan required by FAR 52.219-9, "Small Business Subcontracting Plan."

RFP HSBP1005R0376, Amendment 1

Your company agrees that the clause will be included and that the plans will be reviewed against the minimum requirements for such plans. The acceptability of percentage goals for small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small and service-disabled veteran-owned small business concerns must be determined on a case-by-case basis depending on the supplies and services involved, the availability of potential small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small, and service-disabled veteran-owned small business subcontractors and prior experience. Once the plans are negotiated, approved, and implemented, the plans must be monitored through the submission of periodic reports, including Standard Form (SF) 294 and SF 295 reports.

6. REPORTING AND COOPERATION

FAR 19.704(a)(10) requires that your company (1) cooperate in any studies or surveys as may be required, (2) submit periodic reports which show compliance with the subcontracting plan; (3) submit Standard Form (SF) 294, "Subcontracting Report for Individual Contracts," and SF 295, "Summary Subcontract Report," in accordance with the instructions on the forms; and (4) ensure that subcontractors agree to submit SF 294 and SF 295. The cognizant contracting officer of the Treasury bureau must receive the report(s) within 30 days after the close of each calendar period. That is:

<u>Calendar Period</u>	<u>Report Due</u>	<u>Date Due</u>	<u>Send Report To</u>
10/01--03/31	SF 294	04/30	CBP contracting officer with copy to SBS at same address
04/01--09/30	SF 294	10/30	CBP contracting officer with copy to SBS at same address
10/01--09/30	SF 295	10/30	CBP contracting officer with copy to SBS at same address

NOTE: A copy of the 295 report must also be sent to the Director, Office of Small Business Utilization, Department of Homeland Security. The address is as follows:

Department of Homeland Security
Attn: Director, Office of Small
Business Development
245 Murray Drive
Washington, DC 20528
(Attn: 1310 G/400 West)

7. RECORDKEEPING

FAR 19.704(a)(11) requires a list of the types of records your company will maintain to demonstrate the procedures adopted to comply with the requirements and goals in the subcontracting plan. (Check all that apply.) (If NO is checked, please indicate why these types of records are not maintained).

RFP HSBP1005R0376, Amendment 1

A. Small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small, service-disabled veteran-owned small business concern source lists, guides, and other data identifying such vendors.

YES NO

B. Organizations contacted for small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small, service-disabled veteran-owned small business sources.

YES NO

C. On a contract-by-contract basis, records on all subcontract solicitations over \$100,000 which indicate for each solicitation (1) whether small business concerns were solicited, and if not, why not; (2) whether HUBZone small business concerns were solicited, and if not, why not; (3) whether small disadvantaged business concerns were solicited, and if not, why not; (4) whether women-owned small business concerns were solicited, and if not, why not; (5) whether veteran-owned small business concerns were solicited, and if not, why not; (6) whether service-disabled veteran-owned small business concerns were solicited, and if not, why not; and (7) reasons for the failure of solicited small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small, service-disabled veteran-owned small business concerns to receive the subcontract award.

YES NO

D. Records to support other outreach efforts, e.g., contacts with minority and small business trade associations, attendance at small and minority business procurement conference and trade fairs.

YES NO

E. Records to support internal activities to (1) guide and encourage purchasing personnel, e.g., workshops, seminars, training programs, incentive awards; and (2) monitor activities to evaluate compliance.

YES NO

F. On a contract-by-contract basis, records to support subcontract award data including the name, address and business size and ownership status (SB, HUBZone SB, SDB, WOB, VOSB, SDVOSB, etc.) of each subcontractor. (This item is not required for company or division-wide commercial plans.)

YES NO

G. Other records to support your compliance with the subcontracting plan: (Please describe)

8. TIMELY PAYMENTS TO SUBCONTRACTORS

FAR 19.702 requires your company to establish and use procedures to ensure the timely payment of amounts due pursuant to the terms of your subcontracts with small business concerns, HUBZone small business concerns, small disadvantaged business concerns, women-owned small business concerns, veteran-owned small business concerns, and service-disabled veteran-owned small business concerns.

Your company has established and uses such procedures:

YES NO

9. DESCRIPTION OF GOOD FAITH EFFORT

Maximum practicable utilization of small, HUBZone small, small disadvantaged women-owned small, veteran-owned small, service-disabled small business concerns as subcontractors in Government contracts is a matter of national interest with both social and economic benefits. When a contractor fails to make a good faith effort to comply with a subcontracting plan, these objectives are not achieved, and 15 U.S.C. 637(d)(4)(F) directs that liquidated damages shall be paid by the contractor. In order to demonstrate your compliance with a good faith effort to achieve the small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small, and service-disabled veteran-owned small business subcontracting goals, **outline the steps your company plans to take**. These steps will be negotiated with the contracting officer prior to approval of the plan.

See Attachment 1

RFP HSBP1005R0376, Amendment 1

10. SIGNATURES REQUIRED

This subcontract

Signature:

Typed Name:

Title:

Date: 5/26/05



This subcontracting plan was REVIEWED by:

Signature:

Typed Name:

Title: Contracting Officer

Date:

This subcontracting plan was REVIEWED by:

Signature:

Typed Name:

Title: Small Business Specialist

Date:

This subcontracting plan was REVIEWED by:

Signature:

Typed Name:

Title: Small Business Administration Representative

Date:

This subcontracting plan was APPROVED by:

This subcontracting plan was ACCEPTED and INCORPORATED as a material part of the resulting contract by:

Signature:

Typed Name:

Title: Contracting Officer

Date:

ATTACHMENT 1
TO THE
SMALL BUSINESS SUBCONTRACTING PLAN

L-3 COMMUNICATIONS SECURITY AND DETECTION SYSTEMS, INC.

PAGE 3:

H. Supplies and/or Services to be subcontracted under this contract, business size (i.e., SB, HUBzone, SDB, WOSB, VOSB, SDVOSB and LB), and the estimated dollar expenditure, are (Check all that apply)



PAGE 4:

I. L-3 had similar U.S. Government contracts that require the procurement of materials and/or services from small, hubzone small, small disadvantaged (minority), small women-owned, veteran-owned and service-disabled veteran-owned business concerns whenever possible. As a result, L-3 actively seeks out qualified new suppliers to ensure product availability and foster competition among existing suppliers. The goals we have established are based on current subcontracting ratio for equivalent units. In reviewing our historical data and experience in the market environment, we conclude these goals are realistic.

Products and services to be subcontracted usually result from a make/buy evaluation. Once a product or service is determined to be a buy, the company, through its purchasing department and in cooperation with the requestor, must identify potential suppliers. It is at this point that small business concerns of all categories are considered.

continued.../

L-3 COMMUNICATIONS SECURITY AND DETECTION SYSTEMS, INC.
ATTACHMENT 1 TO THE SMALL BUSINESS SUBCONTRACTING PLAN

Vendor qualifications are determined in varying instances depending on the need, complexity, and/or service. L-3 would, at a minimum verify a potential supplier can meet the stated requirements for the product or service. L-3 would also verify the supplier has the capacity to produce and deliver the stated product or service in the quantity required in the stated timeframe. This likely would involve an on-site visit/site survey. Lastly, L-3 would verify any industry references that the supplier might offer with regard to performance and delivery.

L-3's supplier database distinguishes by unique codes suppliers as large business, small business, hubzone small business, small disadvantaged, small women-owned, veteran-owned or service-disabled veteran-owned so we can report and estimate our dollars accordingly. Additionally, L-3 uses the forecast to determine the numbers submitted for the upcoming year.

PAGE 10:

9. Review database of small business (all categories) concerns with each requirement. Ensure all small business concerns are included in solicitations for requirements for which they may be qualified.

- Ensure procurement checklists include a space to note whether a small business concern was included in the solicitation or award made to a small business concern, and if not, explain why not.
- Ensure Supplier Database is Maintained Current to include / add Small Business Concerns (All Categories).
- Ensure personnel are aware of the requirement to utilize small business concerns as much as possible.
- Ensure personnel have access to supplier database.

4 Financial Capability

L-3 Communications Corporation, headquartered in New York City, New York, was formed from ten business units derived from Lockheed Martin and Loral in 1997. Since that time L-3 has shown substantial growth, is a publicly traded FORTUNE 500 company (NYSE symbol: LLL), had revenues over \$6.8 billion USD in 2004, and has more than 75 divisions with over 44,200 employees worldwide. A copy several pages of the L-3 Securities and Exchange Commission Form 10K are included on the following pages.

L-3 Communications Security and Detection Systems (SDS), Inc. is a wholly owned subsidiary of L-3 Communications Corporation. L-3 SDS has demonstrated expertise in the manufacture and installation of X-ray scanning systems. With more than 18,000 systems in operation worldwide, we are the world's leading supplier of screening solutions - offering a broad array of products to the aviation, transportation, and public building security markets. Our systems are used to screen for explosives, firearms, contraband, and drugs in the vast majority of all commercial airports, jails, postal facilities, and government buildings worldwide. L-3 SDS maintains purchasing, finance and accounting, budgeting, and other core business functions.

Wolf Coach is an L-3 company that provides integration support and manufacturing for the CX-3800M Mobile X-ray System. L-3 Wolf Coach is located at 7 B Street, Auburn, MA, 01501.

Most of L-3's revenue arrangement with agencies of the U.S. Government, including the DoD, are subject to unique procurement and administrative rules. These rules are based on both laws and regulations, including the US Federal Acquisition regulation (FAR), the impose various profit and cost controls, (2) regulate the allocations of costs, both direct and indirect, to contracts and 3) provide for the non-reimbursement of unallowable costs. L-3 contract administration and cost accounting policies are subject to oversight by government inspectors, technical specialists and auditors.

L-3 is the largest merchant supplier of defense electronics in the industry and a growing provider of commercial communications and transportation products. L-3 products rank either number one or number two in their niche market segments. Key product areas include secure communications, ocean products, simulation and training, aviation recorders, displays and antenna products, aviation communications and surveillance systems, telemetry and instrumentation, space and navigation systems, microwave and wireless products and security and detection systems.

L-3's products and services are divided into five sectors:

Secure Communications and Intelligence, Surveillance and Reconnaissance

- Provides U.S. military platforms with secure data links for real-time information collection and dissemination, fleet management, support for signals intelligence and ISR special mission aircraft, airborne surveillance systems, and strategic and tactical signals intelligence systems.

Training, Simulation and Support Services



- Develops and manages simulation and training programs for domestic and international governments, focused on education, logistics, strategic planning, organizational design, and other activities that increase combat skills and conserve costs.
- Products include trainers for specific air platforms, missions and weapon tactics, and ballistic missile targets.

Aviation Products and Aircraft Modernization

- Supplies a broad range of products for military and commercial aviation markets, including flat-panel LCD displays, cockpit, voice and event recorders, and traffic and terrain avoidance technology.
- Provides engineering, modification, maintenance, logistics and upgrades for U.S. Special Operations Command aircraft, vehicles and personal equipment.
- Offers turnkey aviation life cycle management services for military and commercial wide-body and rotary wing aircraft.

Specialized Products

- *Aviation Security* – Transportation Security Administration (TSA)-certified X-ray screening systems for checked, carry-on and oversized baggage, as well as systems used to screen break bulk cargo and air freight, and provide port and border security.
- *Homeland Security* - Provides technology, products and services supporting airport security, cargo inspection, port and maritime security, mobile command and control systems, sensors, intrusion detection, border patrol, and crisis management.
- *Ocean Products* - Mine hunting, dipping sonars and anti-submarine warfare products, naval power distribution, conditioning, switching, and protection equipment.
- *Aviation Products* - Ultra-wide frequency antennas, rotary joints and radomes used in military aircraft, weather radar and air traffic control systems.
- *Airborne, Ground and Space Telemetry* – Supports military flight testing for a variety of platforms and is a leader in navigation products, gyroscopes and controlled moment devices for commercial, military and other applications.
- *Electronics* – Global Positioning System (GPS) technology, electro-mechanical safety and arming devices (ESADs), and proximity fuzes currently in use on multiple aircraft, missile and smart munitions platforms.
- *Electrical Power Systems* - State-of-the-art power propulsion systems for commuter railroads and power switches for Web-based businesses needing protection from power disruption.
- *Commercial Communications* – Provides a variety of products to the commercial and space communications industries, including: transponders, payloads, uplinks, downlinks, wireless instrument test products, remote sensing Internet networks, microwave links and products for RF safety and microwave base stations.

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2004

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file numbers 001-14141 and 333-46983

**L-3 COMMUNICATIONS HOLDINGS, INC.
L-3 COMMUNICATIONS CORPORATION**

(Exact names of registrants as specified in their charters)

Delaware

(State or other jurisdiction of
incorporation or organization)

13-3937434 and 13-3937436

(I.R.S. Employer Identification Nos.)

600 Third Avenue, New York NY

(Address of principal executive offices)

10016

(Zip Code)

(212) 697-1111

(Telephone number)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

L-3 Communications Holdings, Inc.
common stock, par value \$0.01 per share

Name of each exchange on which registered:

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is an accelerated filer (as defined in the Rule 12 b-2 of the Act)

Yes No

The aggregate market value of the L-3 Communications Holdings, Inc. voting stock held by non-affiliates of the registrant as of June 30, 2004 was approximately \$6,654 million. For purposes of this calculation, the Registrants have assumed that their directors and executive officers are affiliates.

There were 116,337,095 shares of L-3 Communications Holdings, Inc. common stock with a par value of \$0.01 outstanding as of the close of business on February 25, 2005.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement to be filed with Securities and Exchange Commission ("SEC") pursuant to Regulation 14A relating to the Registrant's Annual Meeting of Shareholders, to be held on April 26, 2005, will be incorporated by reference in Part III of this Form 10-K. Such proxy statement will be filed with the SEC not later than 120 days after the registrant's fiscal year ended December 31, 2004.

L-3 COMMUNICATIONS HOLDINGS, INC.
L-3 COMMUNICATIONS CORPORATION

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For the Year Ended December 31, 2004

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Signatures 54

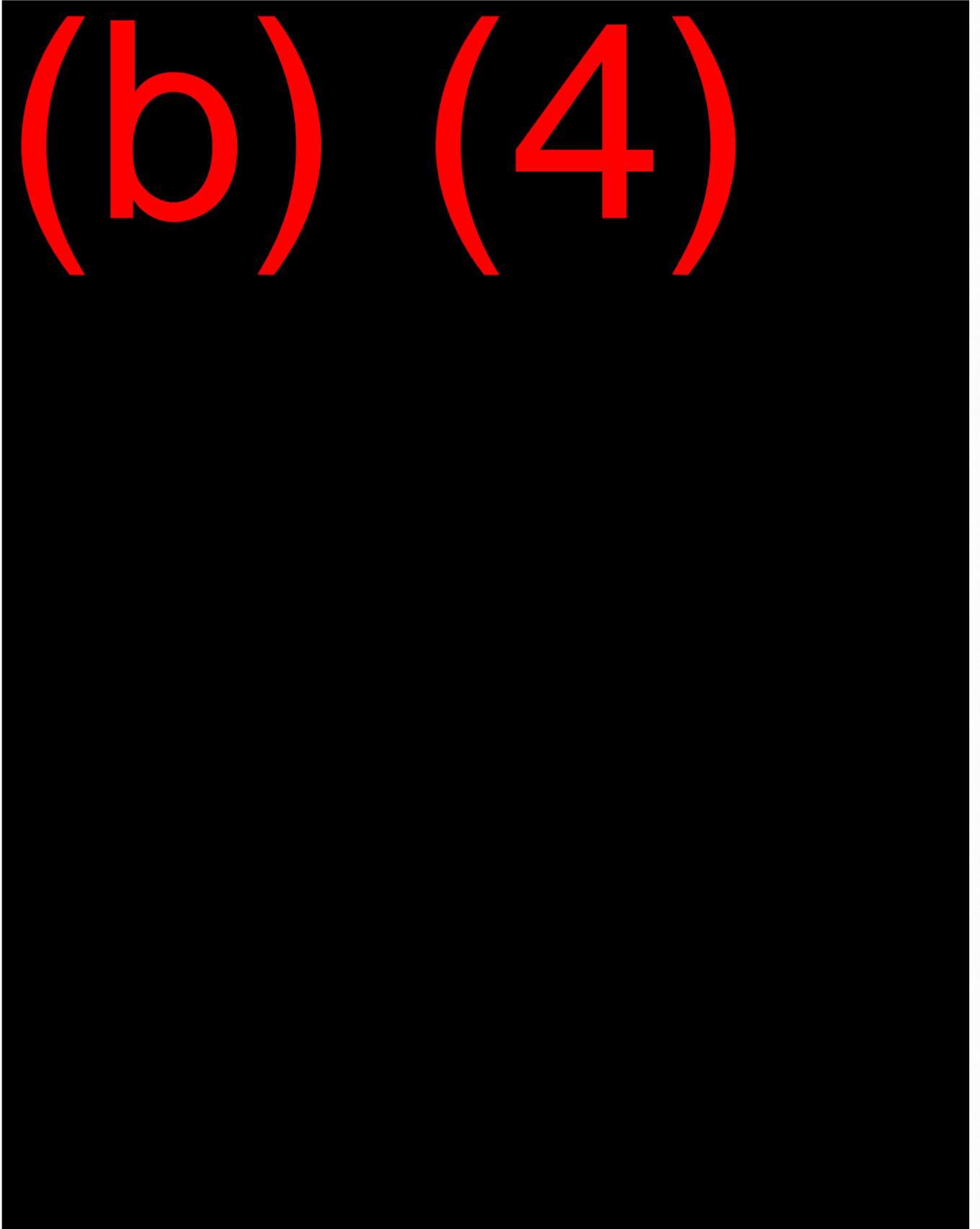
Item 6. Selected Financial Data

We derived the selected financial data presented below at December 31, 2004 and 2003 and for each of the three years in the period ended December 31, 2004 from our audited consolidated financial statements included elsewhere in this Form 10-K. We derived the selected financial data presented below for the years ended December 31, 2001 and 2000 and at December 31, 2002, 2001 and 2000 from our audited consolidated financial statements not included in this Form 10-K. You should read the selected financial data together with our "Management's Discussion and Analysis of Results of Operations and Financial Condition" and our audited consolidated financial statements. Our results of operations, cash flows and financial position are impacted significantly by our business acquisitions.

	Year Ended December 31,				
	2004	2003	2002 ⁽¹⁾	2001 ⁽¹⁾	2000 ⁽¹⁾
	<i>(in millions, except per share data)</i>				
Statement of Operations Data:					
Sales	\$6,897.0	\$5,061.6	\$4,011.2	\$2,347.4	\$1,910.1
Operating income	748.6	581.0	454.0	275.3	222.7
Other expense (income), net	(7.3)	(0.2)	(5.0)	(1.8)	(4.4)
Interest expense	145.3	132.7	122.5	86.4	93.0
Loss on retirement of debt	5.0	11.2	16.2	—	—
Minority interests in net income of consolidated subsidiaries	8.9	3.5	6.2	4.4	—
Provision for income taxes	214.8	156.2	111.6	70.8	51.4
Income before cumulative effect of a change in accounting principle	381.9	277.6	202.5	115.5	82.7
Cumulative effect of a change in accounting principle	—	—	(24.4)	—	—
Net income	<u>\$ 381.9</u>	<u>\$ 277.6</u>	<u>\$ 178.1</u>	<u>\$ 115.5</u>	<u>\$ 82.7</u>
Basic earnings per common share:					
Income before cumulative effect of a change in accounting principle ..	\$ 3.54	\$ 2.89	\$ 2.33	\$ 1.54	\$ 1.24
Cumulative effect of a change in accounting principle	—	—	(0.28)	—	—
Net income	<u>\$ 3.54</u>	<u>\$ 2.89</u>	<u>\$ 2.05</u>	<u>\$ 1.54</u>	<u>\$ 1.24</u>
Diluted earnings per common share: ⁽²⁾					
Income before cumulative effect of a change in accounting principle ..	\$ 3.33	\$ 2.62	\$ 2.13	\$ 1.47	\$ 1.18
Cumulative effect of a change in accounting principle	—	—	(0.23)	—	—
Net income	<u>\$ 3.33</u>	<u>\$ 2.62</u>	<u>\$ 1.90</u>	<u>\$ 1.47</u>	<u>\$ 1.18</u>
Weighted average common shares outstanding:					
Basic	<u>107.8</u>	<u>96.0</u>	<u>86.9</u>	<u>74.9</u>	<u>66.7</u>
Diluted	<u>117.4</u>	<u>113.9</u>	<u>105.2</u>	<u>85.4</u>	<u>69.9</u>
Cash dividends declared per share on L-3 Holdings' common stock					
	<u>\$ 0.40</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Balance Sheet Data (at period end):					
Working capital	\$1,632.5	\$1,013.5	\$ 929.4	\$ 717.8	\$ 360.9
Total assets	7,780.8	6,505.3	5,242.3	3,339.2	2,463.5
Long-term debt	2,189.8	2,457.3	1,847.8	1,315.3	1,095.0
Minority interests	77.5	76.2	73.2	69.9	—
Shareholders' equity	3,799.8	2,574.5	2,202.2	1,213.9	692.6

(1) In accordance with SFAS 142, effective January 1, 2002, we ceased amortizing goodwill.

(2) Reported diluted EPS amounts for the years ended prior to January 1, 2004 have been restated in accordance with EITF 04-8, *The Effect of Contingently Convertible Debt on Diluted Earnings Per Share*. The impact of applying EITF 04-8 to our 4% Senior Subordinated Convertible Contingent Debt Securities (CODES) resulted in (1) an increase to diluted weighted average common shares outstanding of 7.8 million shares for 2003 and 2002, (2) a non-cash reduction of \$0.09 to diluted EPS for 2003, (3) a non-cash reduction of \$0.05 to diluted EPS before cumulative effect of a change in accounting principle for 2002, and (4) a non-cash reduction of \$0.03 to diluted EPS for 2002. The CODES were not included in diluted weighted average common shares outstanding for 2001 because their impact on diluted EPS was anti-dilutive. Diluted weighted average common shares outstanding and diluted EPS for 2000, were not affected by EITF 04-8 because we issued the CODES in 2001.



(b) (4)



(b)

(4)



(b)

(4)



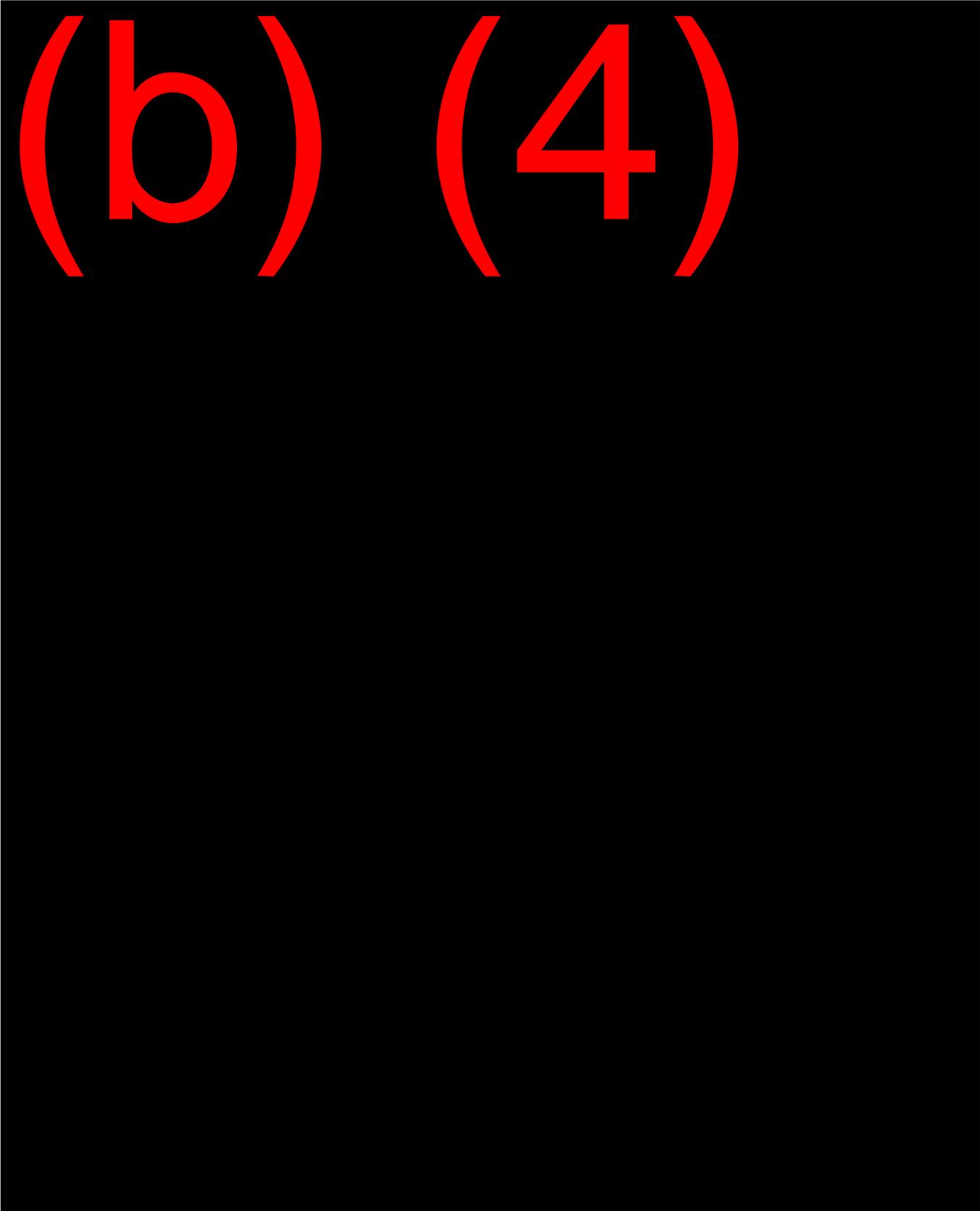
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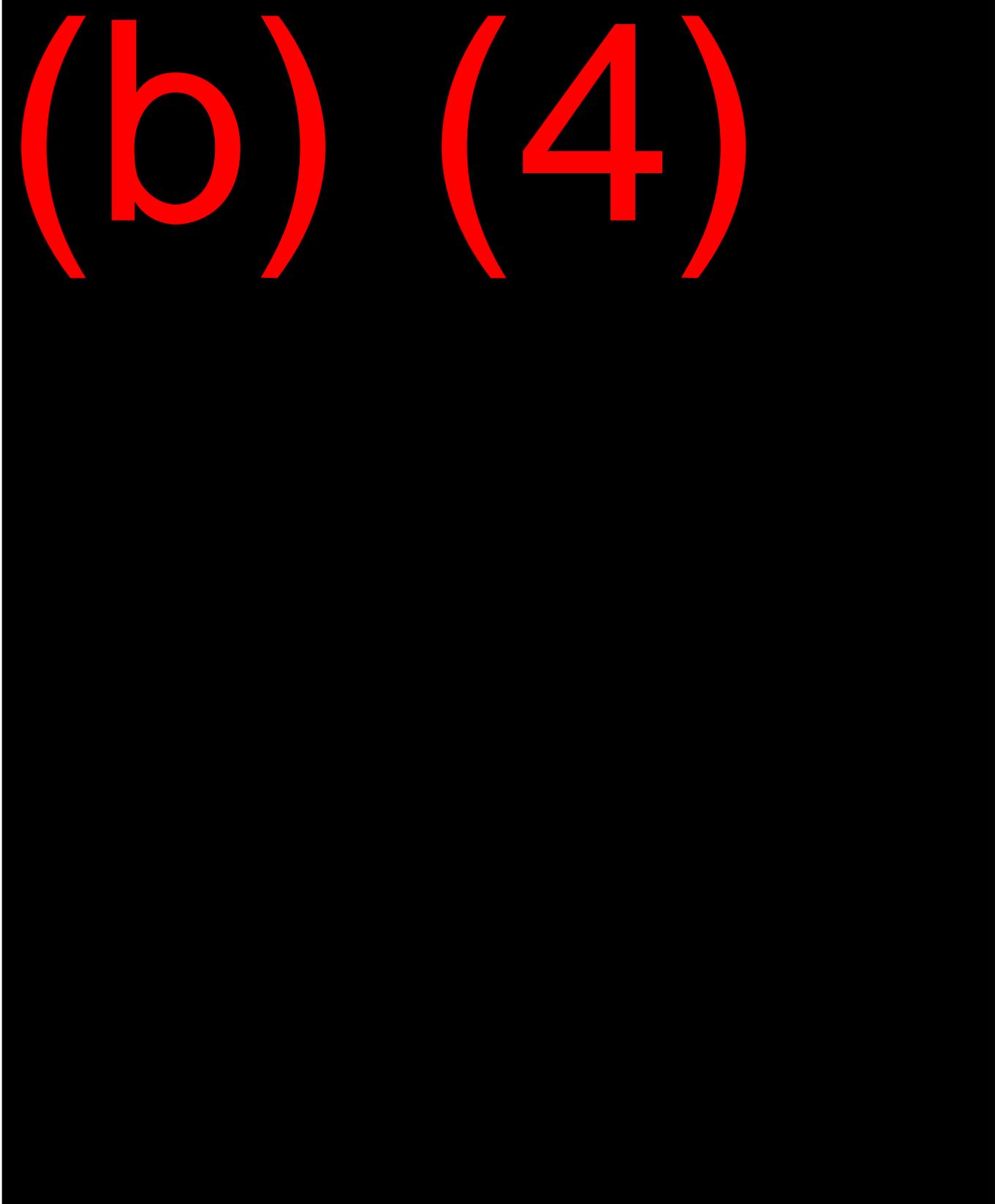


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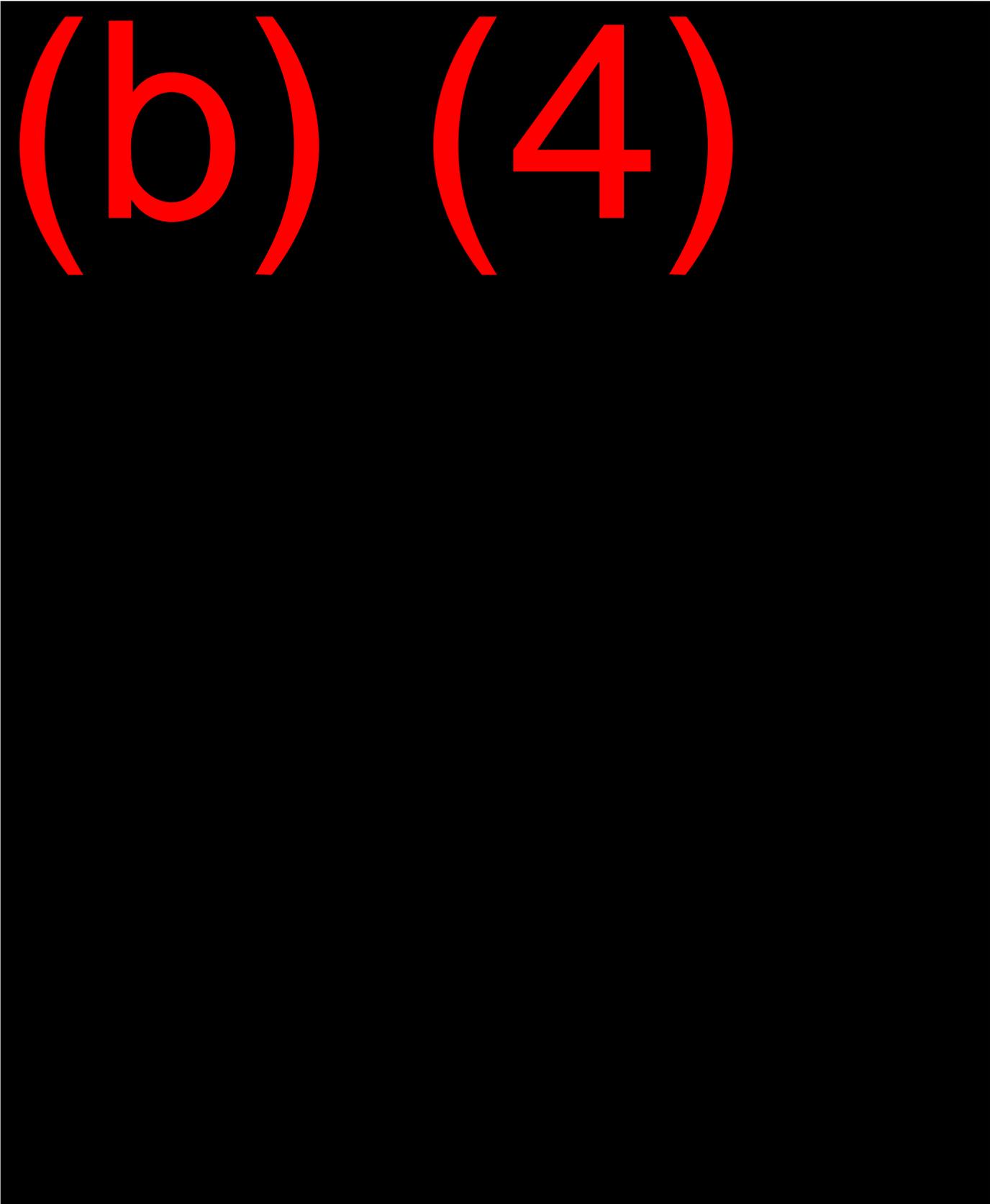
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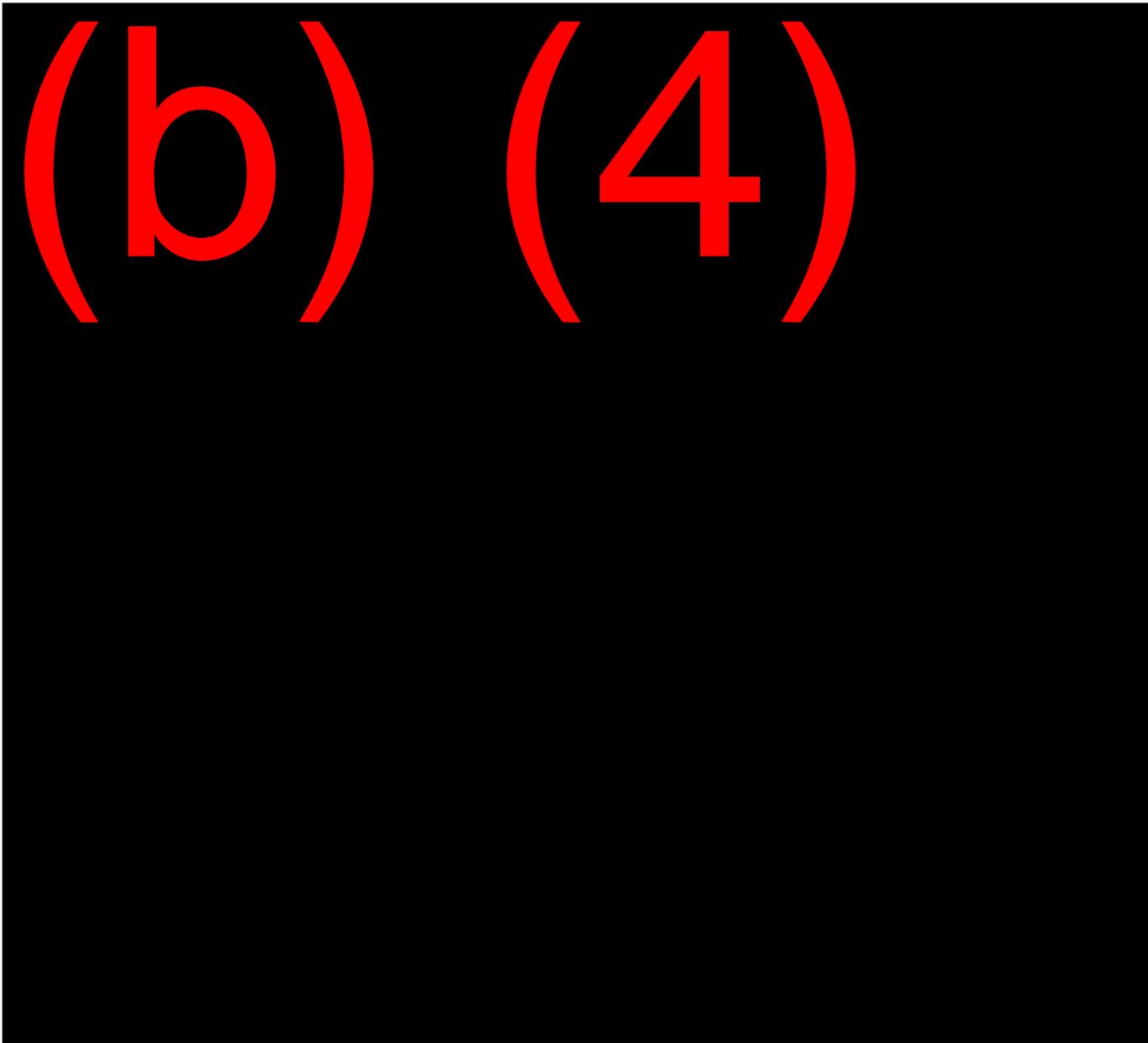


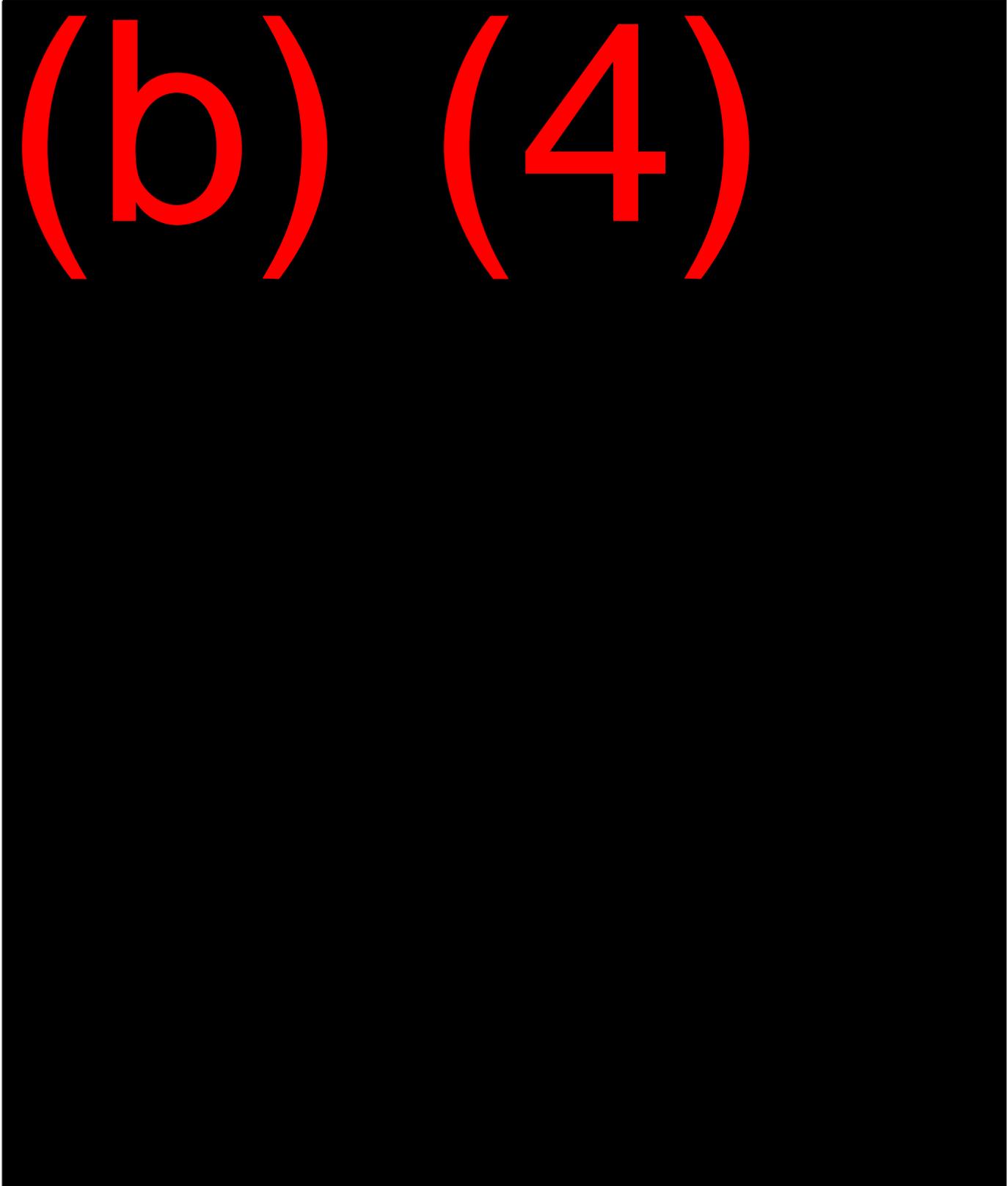
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