

<b>AWARD/CONTRACT</b>		1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)	RATING	PAGE OF PAGES 1   46
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2 CONTRACT (Proc Inst Ident) NO HSTS04-16-C-CT5011	3 EFFECTIVE DATE 09/30/2016	4 REQUISITION/PURCHASE REQUEST/PROJECT NO 21-16-206CT5011
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5 ISSUED BY TSA 701 S 12TH STREET Arlington VA 20598	CODE 04	6 ADMINISTERED BY (If other than Item 5)	CODE
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7 NAME AND ADDRESS OF CONTRACTOR (No., Street, City, Country, State and ZIP Code)  DIGITAL BARRIERS SERVICES LIMITED 1-7 HATFIELDS LONDON SE1 9PG	8 DELIVERY <input type="checkbox"/> FOB ORIGIN <input checked="" type="checkbox"/> OTHER (See below)
	9 DISCOUNT FOR PROMPT PAYMENT  Net 30
	10 SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN ITEM

CODE 211617707	FACILITY CODE
11 SHIP TO/MARK FOR TSA 701 S 12th Street Arlington VA 20598	CODE
	12 PAYMENT WILL BE MADE BY TSA US Coast Guard Financial Center TSA Commercial Invoices P.O. Box 4111 Chesapeake VA 23327-4111

13 AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION <input type="checkbox"/> 10 U.S.C. 2304 (c) ( ) <input type="checkbox"/> 41 U.S.C. 253 (c) ( )	14 ACCOUNTING AND APPROPRIATION DATA See Schedule
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15A ITEM NO	15B SUPPLIES/SERVICES	15C QUANTITY	15D UNIT	15E UNIT PRICE	15F AMOUNT
Continued					
15G. TOTAL AMOUNT OF CONTRACT					\$1,650,001.00

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CONTRACTING OFFICER WILL COMPLETE ITEM 17 (SEALED-BID OR NEGOTIATED PROCUREMENT) OR 18 (SEALED-BID PROCUREMENT) AS APPLICABLE

17. <input checked="" type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return <u>1</u> copies to Issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)	18. <input type="checkbox"/> SEALED-BID AWARD (Contractor is not required to sign this document.) Your bid 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 b.d. and (b) this award contract. No further contractual document is necessary. (Block 18 should be checked only when awarding a sealed-bid contract.)
19A NAME AND TITLE OF SIGNER (Type or print) SHARON COOPER, CFO	20A NAME OF CONTRACTING OFFICER Kerry A. Toscano

19B NAME OF CONTRACTOR	19C. DATE SIGNED 30 Sept 16	20B UNITED STATES OF AMERICA	20C DATE SIGNED 09/30/2016
BY		BY	

**CONTINUATION SHEET**

REFERENCE NO. OF DOCUMENT BEING CONTINUED  
HSTS04-16-C-CT5011

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NAME OF OFFEROR OR CONTRACTOR

DIGITAL BARRIERS SERVICES LIMITED

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	Tax ID Number: 98-0703821 DUNS Number: 211617707 The document establishes a firm fixed price contract between the Transportation Security Administration and Digital Barrier Services Limited to provide Real Time Passenger Screening Camera ThruVision.  These services shall be in accordance with the attached Statement of Work and Digital Barrier's technical and price proposal dated September 16, 2016, which are incorporated into this contract by reference. Accounting Info: 5AV167B010D2016SWE044GE014723006200622CTO-62020000 00000000-251B-TSA DIRECT-DEF. TASK-D FOB: Destination Period of Performance: 09/30/2016 to 09/29/2019				
00001	Base Period 09/30/2016 - 09/29/2017 Phase One Obligated Amount: \$(b)(4)	1	JB	(b)(4)	
00001A	Travel Not to Exceed \$37,620 Obligated Amount: \$37,620.00	1	JB	37,620.00	37,620.00
00001B	Material Not to Exceed \$(b)(4) Obligated Amount: \$(b)(4)	1	JB	(b)(4)	
10001	Option Period One 09/30/2017 - 09/29/2018 Phase Two Amount: \$(b)(4) (Option Line Item) 09/29/2017				(b)(4)
10001A	Travel Not to Exceed \$16,830 Amount: \$16,830.00 (Option Line Item) 09/28/2017  Continued ...				16,830.00

**CONTINUATION SHEET**

REFERENCE NO. OF DOCUMENT BEING CONTINUED  
HSDS04-16-C-CT5011

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NAME OF OFFEROR OR CONTRACTOR

DIGITAL BARRIERS SERVICES LIMITED

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
20001	Option Period Two 09/30/2018 - 09/29/2019 Phase Three Travel Not to Exceed \$5,100 Amount: \$5,610.00 (Option Line Item) 09/29/2018  The total amount of award: \$1,650,001.00. The obligation for this award is \$ (b)(4) .				5,610.00

## SECTION B, SUPPLIES OR SERVICES AND PRICES

### B.1 Type of Contract

This is a Firm Fixed Price (FFP) contract with not-to-exceed Time and Material (T&M) Contract Line Item Numbers (CLINs) for Material and Travel.

### B.2 Pricing Schedules

CLIN	Description	Type	Unit	QTY	Unit Price	Amount
<b>Base Period</b>						
0001	Phase One	FFP	JB	1	(b)(4)	\$ (b)(4)
0001A	Travel	T&M	JB	1	\$37,620	Not-to-Exceed (NTE) \$37,620
0001B	Material	T&M	JB	1	(b)(4)	NTE \$ (b)(4)
	Base Period Total					NTE \$ (b)(4)
<b>Option Period 1</b>						
10001	Phase Two	FFP	JB	1	\$ (b)(4)	\$ (b)(4)
10001A	Travel	T&M	JB	1	\$16,830	NTE \$16,830
	Option Period 1 Total					NTE \$ (b)(4)
<b>Option Period 2</b>						
20001	Phase Three Travel	T&M	JB	1	\$5,610	NTE \$5,610
	Option Period 2 Total					NTE \$ (b)(4)
<b>Contract Total Value</b>						<b>NTE \$1,650,001</b>

## **SECTION C, Statement of Work (SOW)**

### **A. Background**

The TSA Office of Security Capabilities' (OSC) strategy for multi-layered security in surface transportation is the assessment of the value of stand-off threat detection 'on the move', a requirement that any security systems so deployed must offer adequate protection, while ensuring freedom of movement for the travelling public. In mass transit hubs, with throughput rates of many tens of thousands of people per day, this requirement poses a significant problem for traditional security screening combs that require divestment of articles from people and an intrusive and slow search process.

The current aviation checkpoint process is impractical for surface transportation. Digital Barriers shall assist the Department of Homeland Security (DHS) Transportation Security Administration (TSA) Office of Security Capabilities (OSC) in implementing a stand-off threat detection capability, known as the ThruVIS, to enable the screening of a subset of the travelling population 'on the move' and without requiring their cooperation. The ThruVIS provides real-time information about an individual's potential threat to the local population and environment, and enables transportation security screeners to make well informed decisions about initiating an escalation of security protocols on a specific individual.

### **B. Scope**

The purpose of this Statement of Work (SOW) is to establish specific requirements that describe the scope of services and deliverables provided by the Offeror to the Transportation Security Administration (TSA) in response to Broad Agency Announcement (HSTS04-14-R-BAA004). The proposed work is to implement a next generation passive terahertz stand-off threat detection system to counter terrorist attempts to access and to do harm in transportation systems and infrastructure. This system is called next generation ThruVIS and is a major upgrade to the currently operated ThruVIS TS4 system that will: transform the operational options available for stand-off threat detection; enable new Concepts of Operations (CONOPS) to be developed; reduce costs so as to accelerate early adoption of the technology across surface transportation modes; create a mobile sensor which may be deployed in covert or overt operations; and help TSA deliver its mission to protect the American travelling public and transportation infrastructure.

### **C. Summary of Requirements**

The following requirement is broken into three phases: Phase One will consist of the design and implementation phase, Phase Two is for integration, test and delivery of two ThruVision next generation units (to include mobile housing), and Phase Three will upgrade the next generation units to include multi frequency capability.

#### **I. Phase 1: Design and System Engineering**

**A. Project, Technical and Engineering Management.** This task shall provide full Project Management to support the development of the next generation ThruVIS system. This shall include detailed Risk Management, Project Control, Financial Management and Monthly Status Reporting. This task shall also include appropriate Technical Management of the system development. This task shall also include Engineering Management which should include implementation of an appropriate engineering life cycle throughout the development program, and shall ensure adequate Engineering Governance throughout the program, including Independent Design Reviews at all critical program gates. The contractor shall implement appropriate levels of Systems Engineering, Configuration Control, Materials Management and Quality Assurance, to include but not limited to the following:

- Risk identification and risk reduction matrix to include potential risks, risk triggers, and risk mitigation strategies
- Monthly status reports including accomplishments to date, schedule, risks, and financial expenditure reporting.
- Requirements capture and review
- Preliminary and critical design reviews
- Detailed design documentation for enhanced control software and physical components of the next generation ThruVIS
- Unit test reports
- Up to three (3) trips to the U.S. to support in person meetings with the TSA for requirements gathering and design reviews

**B. Systems and Software Engineering.** This task shall provide systems engineering, design, software engineering, integration and unit testing of the next generation ThruVIS system, as specified in the requirements capture. This phase also includes unit testing of the components, where applicable. System improvements shall include:

- Cyber security enhancements including, but not limited to:
  - Commercial grade Transport Layer Security for data communications (i.e., data in transit)
  - Commercial grade, strong encryption (such as AES or RSA) for data that is stored locally (i.e., data at rest)
  - Ability to digitally sign configuration files and reject unauthorized changes
  - Ability to digitally sign open source, dynamically linked libraries
  - Requirement for strong passwords and hash passwords, which should be stored securely within the Windows Registry

- Removal or disabling of unneeded services, and application of firewall filter rules that only permit required communications (i.e., deny by default)
- Replacement of “end of life” Operating Systems with ones that are supported through at least 12/31/2020
- Addition of a physical cover to the Ethernet connection on the sensor unit that can be locked when not in use
- Addition of an administrator enabled/disabled feature to the sensor unit, which disables wireless connections when a wired Ethernet connection is detected and vice versa
- Reduced sensor size by approximately 40%, reduce cost by up to 10%, and reduce weight from 7kg to 4kg. This size and weight reduction is expected to reduce the total weight of the TS4 to around 20kg, instead of the 24kg, and overall volume by around 10%.
- Digital Barriers’ next generation software enhancements and scan mechanism which is controlled via software rather than being a fixed field of view, with the ability to adjust the field of view and frame rate according to the particular deployment scenario, which is expected to be especially beneficial when trying to screen subjects on the move.
- Improved CCTV camera with greater resolution; this will also enable more of Digital Barriers’ Analytics capability to be added as software upgrades in response to user needs throughout the project and beyond.
- A production version of the Mobile Deployment Housing, specifically addressing user needs and feedback, including a suitable battery pack to run the complete unit for an operational time of up to 12 hours on a single charge.

## **II. Phase 2: Test and Evaluation**

**A. Project, Technical and Engineering Management.** This task shall provide full Project Management to support the development of the next generation ThruVIS system. This shall include detailed Risk Management, Project Control, Financial Management and Monthly Status Reporting. This task shall also include appropriate Technical Management of the system development. This task shall also include Engineering Management which should include implementation of an appropriate engineering life cycle throughout the development program, and shall ensure adequate Engineering Governance throughout the program, including Independent Design Reviews at all critical program gates. The contractor shall implement appropriate levels of Systems Engineering, Configuration Control, Materials Management and Quality Assurance.

To include:

- Risk identification and risk reduction matrix to include potential risks, risk triggers, and risk mitigation strategies

- Monthly status reports including accomplishments to date, schedule, risks, and financial expenditure reporting
- One (1) trip to the U.S. (expected duration of 1 week) to support delivery and training on the new units

**B. Integration, Test and Delivery.** This task shall include the delivery of two next generation ThruVIS systems with enhancements as specified in section 3.1 and finalized in the design phase (Phase 1). This phase will also include: sub-system integration, functional testing and overall next generation ThruVIS system performance testing. The output of this task will be a Systems Acceptance Review which will verify the next generation ThruVIS design against requirements, as specified in Phase 1. Two next generation ThruVIS units shall include:

- Shipping costs for the next generation ThruVIS systems and all ancillary systems to be delivered to the U.S. at a location to be determined prior to shipment
- Control laptop PCs and associated software
- Two mobile housing units, which will be used as shipping cases and mobile deployment capability for the ThruVIS systems
- Users' Manuals
- Certification of Conformance documents
- 12 month warranty period to start at the date of delivery
  - If, during normal use, the units require repair, Digital Barriers will assume all costs for shipment, repair parts, maintenance, and travel costs associated with the repair of the units
- System Delivery and Training on unit in the U.S. at a location to be determined prior to shipment.
- Training materials

### III. Phase 3: Maintenance

**A. Project, Technical and Engineering Management.** This task shall provide full Project Management to support the development and delivery of the next generation ThruVIS system. This shall include detailed Risk Management, Project Control, Financial Management and Status Reporting. This task shall also include appropriate Technical Management of the system development and delivery program. This task shall also include Engineering Management which should include implementation of an appropriate engineering life cycle throughout the development program, and shall ensure adequate Engineering Governance throughout the program, including Independent Design Reviews at all critical program gates. The contractor shall implement appropriate levels of Systems Engineering, Configuration Control, Materials Management and Quality Assurance, to include but not limited to the following:

- Risk identification and risk reduction matrix to include potential risks, risk triggers, and risk mitigation strategies
- Requirements capture and review
- Preliminary and critical design reviews
- Detailed design documentation for enhanced control software and physical components of the multi-frequency ThruVIS systems
- Unit test reports
- Shipping costs of the two next generation ThruVIS systems to the vendor for Phase 3 enhancements and shipping/delivery costs of the multi-frequency units to a location in the U.S. to be determined prior to shipment.
- Three (3) trips to the U.S. to support in person meetings with the TSA, including one visit to last one week for training of the multi-frequency unit
- Monthly status reports including accomplishments to date, schedule, risks, and financial expenditure reporting

**B. Integration, Test and Delivery.** This phase will enhance the capabilities in the next generation systems to be used as multi-frequency systems. This will include design, implementation, integration, test and delivery of two (2) multi-frequency ThruVIS systems that include all improvements made in Phase 1, in addition to:

- Software enhancements to present to the operator only anomalous images
- Multi-frequency scanning, including adding two additional frequencies to reduce sky glint on passengers in outdoor environments
- Updated Users' Manual
- Certification of Conformance documents
- 12 month warranty period to start at the date of delivery. If, during normal use, the units require repair, Digital Barriers will assume all costs for shipment, repair parts, maintenance, and travel costs associated with the repair of the units
- System delivery and training on units in the U.S. at a location to be determined prior to shipment
- Training materials

#### **D. Project Schedule**

The tasks described in Section C above will be incorporated into the following project schedules, which follows a phased approach for developing and delivering the next generation ThruVIS system for use by TSA OSC.

#### **Phase 1 – Base Period**

**Design Phase.** This includes requirements capture and review, and preliminary and critical design tasks. It also includes risk identification and a risk reduction matrix. The output of this phase is a Critical Design Review (CDR) and discussions about upcoming risks and mitigation strategies.

**Implementation Phase.** This task will manufacture and build two (2) next generation ThruVIS system physical components and produce the enhanced control software, in accordance with the designs finalized under the design phase. This phase also includes unit testing of the components where applicable.

### **Phase 2 – Option Period One**

**Integration and Test Phase.** This phase will involve sub-system integration, functional testing and overall next generation ThruVIS system performance testing. The output of this task will be a Systems Acceptance Review which will verify the next generation ThruVIS design against specification.

**Delivery Phase.** Digital Barriers will deliver one next generation ThruVIS systems assembled and tested in previous phases, with packing cases and associated users' manuals, plus on-site support and training. The output of this task will be Site Acceptance Test of the next generation ThruVIS system and the delivery of the units and ancillary equipment, as well as providing training to test engineers.

### **Phase 3 – Option Period Two**

**Design Phase.** This includes requirements capture and review, and preliminary and critical design tasks. It also includes risk identification and a risk reduction matrix. The output of this phase is a Critical Design Review (CDR) and discussions about upcoming risks and mitigation strategies. During this phase test plans should also be developed.

**Implementation Phase.** This task will manufacture and build the initial next generation multi-frequency ThruVIS system physical components and produce the enhanced control software, in accordance with the designs finalized under the design phase. This phase also includes unit testing of the components where applicable.

**Integration and Test Phase.** This phase will involve sub-system integration, functional testing and overall next generation multi-frequency ThruVIS system performance testing. The output of this task will be a Systems Acceptance Review which will verify the next generation ThruVIS design against specification.

**Delivery Phase.** Digital Barriers will deliver one multi-frequency next generation multi-frequency ThruVIS system assembled and tested in previous phases, with packing cases and

associated users’ manuals, plus on-site support and training. The output of this task will be Site Acceptance Test of the next generation multi-frequency ThruVIS systems, as well as providing training to test engineers.

**E. Deliverables**

The contractor shall provide all management, supervision, labor, materials, supplies and equipment (except as otherwise specified); and shall plan, schedule, coordinate and ensure the efficient performance of the required services. These services shall be in accordance with specifications stated in the Summary of Requirements and include, but are not limited to the following:

CLIN	Phase	Name	Completion Date*
CLIN 00001	Phase 1	Design and System Engineering Funds	One year following initial funding
CLIN10001	Phase 2	Test and Evaluation	One year following Phase 1 completion
CLIN 20001	Phase 3	Maintenance	One year following Phase 2 completion

The proposed criteria for establishing the successful completion of each specific task, and for acceptance of each associated deliverable or proposed end result from task, are as follows:

**Phase 1:** These CDRLs are due only after Phase 1 is funded as per government request.

- **CDRL 001:** Detailed Design Documentation for the next generation ThruVIS system
- **Acceptance criteria:** Detailed Design Documentation to include engineering drawings for the enhancements as specified in the requirements gathering meetings.
  
- **CDRL 002:** Unit Test Plan and Results
- **Acceptance criteria:** Unit Test Plan and results delivered to sponsor prior to contract close.
  
- **CDRL 003:** Monthly Reports
- **Acceptance criteria:** **Acceptance criteria:** Monthly status reports, sent via e-mail to the technical POC and the contracts officer to include accomplishments to date, schedule, risks, and financial expenditure reporting.

**Phase 2:** These CDRLs are due only after Phase 2 is funded as per government request.

- **CDRL 004:** Two (2) next generation ThruVIS systems with mobile packing cases

**Acceptance criteria:** Delivery of the system in packing cases to an address within the continental USA (exact address to be agreed upon prior to delivery)

- **CDRL 005:** Two (2) next generation ThruVIS Users' Manuals
- **Acceptance criteria:** Delivery of two users' manuals to include installation instructions, recommendations for best configuration in an indoor environment, troubleshooting guidelines and maintenance strategies
  
- **CDRL 006:** Factory acceptance test document for each system  
**Acceptance criteria:** Delivery of the factory acceptance document in electronic format to the customer technical point of contact (MS Office 2007 compatible format) including factory acceptance testing results
  
- **CDRL 007:** Site acceptance test document for next generation ThruVIS system  
**Acceptance criteria:** Document containing a test that can be executed after shipment to the U.S. to ensure proper functionality of the system.
  
- **CDRL 008:** Training materials
- **Acceptance criteria:** Document containing information on how to train operators in the proper use of the next generation ThruVIS system
  
- **CDRL 009:** Monthly Status Reports
- **Acceptance criteria:** Monthly status reports, sent via e-mail to the technical POC and the contracts officer to include accomplishments to date, schedule, risks, and financial expenditure reporting

**Phase 3:** These CDRLs are due only after Phase 3 is funded as per government request.

- **CDRL 010:** Detailed Design Documentation for the next generation ThruVIS system
- **Acceptance criteria:** Detailed Design Documentation to include engineering drawings for the enhancements as specified in the requirements gathering meetings.
  
- **CDRL 011:** Unit Test Plan and Results
- **Acceptance criteria:** Unit Test Plan and results delivered to sponsor prior to contract close.
  
- **CDRL 012:** Factory acceptance test document for multi-frequency system  
**Acceptance criteria:** Delivery of the factory acceptance document in electronic format to the customer technical point of contact (MS Office 2007 compatible format), with test results included

- **CDRL 013:** Two (2) next generation multi-frequency ThruVIS mobile systems with packing cases (enhanced from the next generation ThruVIS systems delivered in Phase 2)  
**Acceptance criteria:** Delivery of the systems in packing cases to an address within the continental USA (exact address to be agreed).
- **CDRL 014:** Two (2) next generation ThruVIS Users' Manual - updated to include multi-frequency specifications and use in outdoor environments
- **Acceptance criteria:** Delivery of two users' manual to include installation instructions, recommendations for best configuration in an indoor and outdoor environment, troubleshooting guidelines and maintenance strategies.
- **CDRL 015:** Site acceptance test document for next generation ThruVIS system  
**Acceptance criteria:** Document containing a test that can be executed after shipment to the U.S. to ensure proper functionality of the system.
- **CDRL 016:** Training materials
- **Acceptance criteria:** Document containing information on how to train operators in the proper use of the next generation ThruVIS system.
- **CDRL 017:** Monthly Status Reports
- **Acceptance criteria:** Monthly status reports, sent via e-mail to the technical POC and the contracts officer to include accomplishments to date, schedule, risks, and financial expenditure reporting.

In addition to the above, when the Contractor purchases property ultimately intended for Government use and title of ownership, or otherwise delivers equipment to the Government as required under this contract, the Contractor shall provide the completed TSA Form 251 "Vendor Shipping and Receiving Report" and the TSA Form 251-1 "Vendor Shipping and Receiving Report Extension" for each delivery of equipment under discrete Contract Line Item Numbers when applicable, to the Product Contracting Officer's Representative and to the TSA Office of Property Management using this email address at [TSA-Property@dhs.gov](mailto:TSA-Property@dhs.gov). Expendable and/or consumable items delivered by the Contractor (items consumed in use or which are an integral part of another system, office supplies, paper, printer cartridges, etc..) should not be submitted via these forms. All items having an acquisition value of \$5,000 or more, all electronics or Information Technology equipment having a data storage capability ( i.e., computers, servers, routers, switches, BlackBerrys, Personal Digital Assistants), and all firearms must be submitted by the Contractor via these forms within 24 hours of the equipment being shipped to TSA or other designated site.

## F. Milestone/ Key Dates

Date	Key Date/Milestone
<b>PHASE 1: Design and System Engineering</b>	
<i>Award Date as Per Government Request</i>	Purchase order acceptance by Digital Barriers
Month 1	Design requirements discussion in U.S.
Month 6	<b>CDRL 001:</b> Detailed Design Documentation for next generation ThruVIS systems <b>CDRL 002:</b> Unit Test Plans and results
Each Month	<b>CDRL 003:</b> Monthly reports
<b>PHASE 2: Test and Evaluation</b>	
<i>Award Date as Per Government Request</i>	Purchase order acceptance by Digital Barriers
Month 4	<b>CDRL 004:</b> Two next generation ThruVIS systems with mobile packing cases <b>CDRL 005:</b> Two Users' Manuals <b>CDRL 006:</b> Factory Acceptance Test results for each system <b>CDRL 007:</b> Site Acceptance Test document <b>CDRL 008:</b> Training materials  Digital Barriers visit to U.S. for delivery and training on new systems
Each Month	<b>CDRL 009:</b> Monthly reports
<b>PHASE 3: Maintenance</b>	
<i>Award Date as Per Government Request</i>	Purchase order acceptance by Digital Barriers
Month 1	Design requirements discussion Ship two units to vendor for upgrade to multi-frequency ThruVIS systems
Month 3	Critical Design Review <b>CDRL 010:</b> Detailed design documentation for multi-frequency ThruVIS system
Month 6	<b>CDRL 011:</b> Unit Test Plan and Results <b>CDRL 012:</b> Factory Acceptance Test document and results <b>CDRL 013:</b> Two (2) next generation multi-frequency ThruVIS mobile systems with packing cases <b>CDRL 014:</b> Two (2) next generation ThruVIS Users' Manual - updated to include multi-frequency specifications and use in outdoor environments <b>CDRL 015:</b> Site acceptance test document <b>CDRL 016:</b> Training materials

	Digital Barriers visit to U.S. for delivery and training on new systems
Each Month	<b>CDRL 017:</b> Monthly Status Reports

### **G. Period of Performance**

The period of performance shall be three years (base period and two one year option periods) from the date of award.

### **H. Place/ Location of Performance/ Delivery**

Work will be completed at Contractor facilities. Meetings and reviews will be conducted at the Contractor's facility; TSA Headquarters, Arlington, VA; or an alternative site as specified by the Government. Additionally, travel is required on an as needed basis.

### **I. Travel**

Travel shall be separately priced as contract line item in accordance with Federal Travel Regulations. It is noted that the contractor shall not be reimbursed for any local or unauthorized travel. Travel is established as a Not to Exceed (NTE) amount as listed in the CLIN schedule.

## **SECTION D, PACKAGING AND MARKING**

A. All supplies to be furnished under this contract shall be preserved, packed, and marked by the Contractor in accordance with standard practices as defined in ASTM-D-3951 (Standard Practice for Commercial Packaging) for the packaging of supplies and equipment. The Contractor shall ensure that packaging is sufficient to (a) prevent damage or deterioration to supplies, (b) ensure acceptance by common carriers, (c) sustain more than one shipment before installation, and (d) minimize packaging and shipment costs. The Contractor shall be fully liable for any damage, diminution in value, or losses incurred during shipment, handling, and installation that is attributed to improper packaging. The Contractor shall ensure shipping documentation contains the following information:

- a. TSA Contract Number: HSTS04-16-C-CT5011
- b. Contract Line Item Number (CLIN): CLIN 00001B
- c. Contractor's Name and Address,
- d. List of Contents, and
- e. Date of Submittal.

A copy of the document required above shall be simultaneously provided via email to the Contracting Officer's Representative (COR) identified herein.

B. The delivery terms are FOB Destination. The Contractor will deliver the equipment to Johns Hopkins University Applied Physics Laboratory (JHU APL) at the following address:

Johns Hopkins University Applied Physics Laboratory (JHU APL)  
11100 John Hopkins Road,  
Laurel, MD 20723  
Attention: Chris Thompson, JHU APL Program Manager

The contractor shall coordinate with the TSA COR for delivery, packaging, and marking requirement details, and must receive COR approval prior to shipping material and equipment..

C. The Contractor is solely responsible for shipping, storage, inventory control, and maintenance assessment of equipment and materials under this contract.

## **SECTION E, INSPECTION AND ACCEPTANCE**

### **E.1 Clauses incorporated by reference:**

<b>52.246-2</b>	<b>Inspection of Supplies -- Fixed-Price (AUG 1996)</b>
<b>52.246-6</b>	<b>Inspection -- Time-and-Material and Labor-Hour (MAY 2001)</b>
<b>52.246-7</b>	<b>Inspection of Research and Development – Fixed Price. (AUG 1996)</b>
<b>52.246-15</b>	<b>Certificate of Conformance (APR 1984)</b>
<b>52.246-16</b>	<b>Responsibility for Supplies (APR 1984)</b>

## **SECTION F, DELIVERIES OR PERFORMANCE**

### **F.1. Clause incorporated by reference:**

<b>52.242-15</b>	<b>Stop-Work Order (AUG 1989)</b>
<b>52.247-34</b>	<b>F.o.b. Destination (NOV 1991)</b>

### **F.2. Period of Performance**

The Period of Performance shall be three years (base period and two one year option periods) from the date of award.

### **F.3. Place/ Location of Performance/ Delivery**

Work will be completed at Contractor facilities. Meetings and reviews will be conducted at the Contractor's facility; TSA Headquarters, Arlington, VA; or an alternative site as specified by the Government. Additionally, travel is required on an as needed basis.

## SECTION G, CONTRACT ADMINISTRATION DATA

### G.1 5200.242.001 CONTRACTING OFFICER'S REPRESENTATIVE (COR) AND TECHNICAL MONITORS (JUL 2015)

1. The principle role of the COR is to support the Contracting Officer in managing the contract. This is done through furnishing technical direction within the confines of the contract, monitoring performance, ensuring requirements are met within the terms of the contract, and maintaining a strong relationship with the Contracting Officer. As a team the Contracting Officer and COR must ensure that program requirements are clearly communicated and that the agreement is performed to meet them. The principle role of the Technical Monitor (TM) is to support the COR on all work orders, tasks, deliverables and actions that require immediate attention relating to the approved scope and obligated funding of the contract action.

2. The Contracting Officer hereby designates the individual(s) named below as the Contracting Officer's Representative(s) and Technical Monitor(s). Such designations(s) shall specify the scope and limitations of the authority so delegated.

TSA COR:

NAME: Annabelle Hernandez  
 PHONE NUMBER: 571-227-(b)(6)  
 EMAIL: (b)(6)

TSA TM:

NAME: Ernesto Acosta  
 PHONE NUMBER: 571-227-(b)(6)  
 EMAIL: (b)(6)

3. The COR(s) and TM(s) may be changed at any time by the Government without prior notice to the Contractor, but notification of the change, including the name and phone number of the successor COR, will be promptly provided to the Contractor by the Contracting Officer in writing.

4. The responsibilities and limitations of the COR are as follows:

- The COR is responsible for the technical aspects of the project and technical liaison with the Contractor. The COR is also responsible for the final inspection and acceptance of all reports and such other responsibilities as may be specified in the contract.
- The COR may designate assistant COR(s) to act for him/her by naming such assistant in writing and transmitting a copy of such designation through the Contracting Officer to the Contractor.
- The COR will maintain communications with the Contractor and the Contracting Officer. The COR must report any observed fraud, waste, or opportunities to improve performance of cost efficiency to the Contracting Officer.

- The COR will immediately alert the Contracting Officer to any possible Contractor deficiencies or questionable practices so that corrections can be made before the problems become significant.
- The COR is not authorized to make any commitments or otherwise obligate the Government or authorize any changes which affect the contract's price, terms or conditions. Any Contractor request for changes shall be referred to the Contracting Officer directly or through the COR. No such changes shall be made without the expressed prior authorization of the Contracting Officer.
- The COR is not authorized to direct the Contractor on how to perform the work.
- The COR is not authorized to issue stop-work orders. The COR may recommend the authorization by the Contracting Officer to issue a stop work order, but the Contracting Officer is the only official authorized to issue such order.
- The COR is not authorized to discuss new proposed efforts or encourage the Contractor to perform additional efforts on an existing contract or order.

5. The responsibilities and limitations of the TM are as follows:

- Coordinating with the COR on all work orders, task, deliverables and actions that require immediate attention relating to the approved scope and obligated funding of the contract action.
- Monitoring the Contractor's performance in relation to the technical requirements of the assigned functional area of the contract to ensure that the Contractor's performance is strictly within the contract's scope and obligated funding.
- Ensuring that all recommended changes in any work under the contract are coordinated and submitted in writing to the COR for consideration.
- Informing the COR if the Contractor is not meeting performance, cost, schedule milestones.
- Performing technical reviews of the Contractor's proposals as directed by the COR.
- Performing acceptance of the Contractor's deliverables as directed by the COR.
- Reporting any threats to the health and safety of persons or potential for damage to Government property or critical national infrastructure which may result from the Contractor's performance or failure to perform the contract's requirements.

## **G.2 5200.243.001 CONTRACTING OFFICER (CO) (JUL 2015)**

The Contracting Officer is the only person authorized to make any changes, approve any changes in the requirements of this contract, issue orders, obligate funds and authorize the expenditure of funds, and notwithstanding any term contained elsewhere in this contract, such authority remains vested solely in the Contracting Officer. (For further information, the Contracting Officer is a federal government employee who is specifically authorized and appointed in writing under specified agency procedures and granted the authority to enter into, administer, and/or terminate contracts and make related determinations and findings.) In the event, the Contractor makes any changes at the direction of any person other than the Contracting Officer, the change will be considered to have been without authority and no adjustment will be made in the contract price to cover any increase in costs incurred as a result thereof.

The following Primary Contracting Officer is assigned to this contract. Alternate Contracting Officers may be assigned:

TSA Contracting Officer:

NAME: Kerry Toscano

PHONE NUMBER: 571-227-(b)(6)

EMAIL: (b)(6)

**G.3 5200.242.003 SUBMISSION OF INVOICES (JUL 2015)**  
"SUBMISSION OF INVOICES"

(a) Background: The Transportation Security Administration (TSA) partners with the United States Coast Guard Finance Center for financial services in support of TSA operations, including the payment of contractor invoices. Therefore, all contractor invoices must be submitted to, and will be paid by, the U.S. Coast Guard Finance Center (FinCen).

(b) Invoice Submission Method: Invoices may be submitted via facsimile, U.S. Mail, or email. Contractors shall utilize ONLY ONE method per invoice submission. The submission information for each of the methods is as follows in order of preference:

1) Facsimile number is: 757-413-7314

The facsimile number listed above shall be used by contractors for ORIGINAL invoice submission only. If facsimile submission is utilized, contractors shall not submit hard copies of invoices via the U.S. mail. It is the responsibility of the contractor to verify that invoices are received, regardless of the method of submission used. Contractors may inquire regarding the receipt of invoices by contacting the U.S. Coast Guard Finance Center via the methods listed in subparagraph (d) of this clause.

2) [Insert appropriate address/ contact information based on type (i.e. LEO reimbursements, Utilities, Interagency Agreements or All Others). All others is to be used for any not specifically listed]

U.S. Mail:

LEO Reimbursements:

United States Coast Guard Finance Center  
TSA LEO Reimbursements  
PO Box 4111  
Chesapeake, VA 23327-4111

Utilities:

United States Coast Guard Finance Center  
TSA Commercial Utilities  
PO Box 4144  
Chesapeake, VA 23327-4144

Interagency Agreements:  
United States Coast Guard Finance Center  
TSA Interagency Agreements  
PO Box 4111  
Chesapeake, VA 23327-4111

(FIN-SMB-IPACTSA@uscg.mil)

All others  
United States Coast Guard Finance Center  
TSA Commercial Invoices  
P.O. Box 4111  
Chesapeake, VA 23327-4111

(FIN-SMB-TSAInvoices@uscg.mil or www.fincen.uscg.mil)

(c) Invoice Process: Upon receipt of contractor invoices, FinCen will electronically route invoices to the appropriate TSA Contracting Officer's Representative and/or Contracting Officer for review and approval. Upon approval, the TSA will electronically route the invoices back to FinCen. Upon receipt of certified invoices from an Authorized Certifying Official, FinCen will initiate payment of the invoices.

Note for discounts offered:

Discounts on invoices. If desired, the Contractor should offer discounts directly upon the invoice submitted, clearly specifying the terms of the discount. Contractors can structure discounted amounts for payment for any time period less than the usual thirty day payment period specified under Prompt Payment requirements; however the Contractor should not structure terms for payment of net amounts invoiced any sooner than the standard period required under FAR Subpart 32.9 regarding prompt payments for the specified deliverables under contract.

Discounts offered after invoice submission. If the Contractor should wish to offer a discount on a specific invoice after its submission for payment, the Contractor should submit a letter to the Finance Center identifying the specific invoice for which a discount is offered and specify the exact terms of the discount offered and what time period the Government should make payment by in order to receive the discount. The Contractor should clearly indicate the contract number, invoice number and date, and the specific terms of the discount offered. Contractors should not structure terms for net amount payments any sooner than the standard period required under FAR Subpart 32.9 regarding prompt payments for the specified deliverables under contract.

(d) Payment Status: Contractors may inquire on the payment status of an invoice by any of the following means:

- (1) Via the internet: <https://www.fincen.uscg.mil>  
Contacting the FinCen Customer Service Section via telephone at 1-800-564-5504 or (757) 523-6940 (Voice Option #1). The hours of operation for the Customer Service line are 8:00 AM to 5:00 PM Eastern Time, Monday through Friday. However, the Customer Service line has a voice-mail feature that is available 24 hours per day, 7 days per week.
- (2) Via the Payment Inquiry Form: <https://www.fincen.uscg.mil/secure/payment.htm>
- (e) Invoice Elements: Invoices will automatically be rejected if the information required in subparagraph (a)(2) of the Prompt Payment Clause, contained in this Section of the Contract, including EFT banking information, Taxpayer Identification Number (TIN), and DUNS number are not included in the invoice. All invoices must clearly correlate invoiced amounts to the corresponding contract line item number and funding citation. The Contractor shall work with the Government to mutually refine the format, content and method of delivery for all invoice submissions during the performance of the Contract.
- (f) Supplemental Invoice Documentation: Contractors shall submit all supplemental invoice documentation (e.g. copies of subcontractor invoices, travel vouchers, etc.) necessary to approve an invoice along with the original invoice. The Contractor invoice must contain the information stated in the Prompt Payment Clause in order to be received and processed by FinCen. Supplemental invoice documentation required for review and approval of invoices may, at the written direction of the Contracting Officer, be submitted directly to either the Contracting Officer, or the Contracting Officer's Representative. Note for "time-and-material" type contracts: The Contractor must submit the following statement with each invoice for labor hours invoiced under a "time-and-materials" type contract, order, or contract line item: "The Contractor hereby certifies in accordance with paragraph (c) of FAR 52.232-7, that each labor hour has been performed by an employee (prime or subcontractor) who meets the contract's specified requirements for the labor category invoiced."
- (g) Additional Invoice Preparation Instructions for Software Development and/or Hardware. The Contractor shall clearly include a separate breakdown (by CLIN) for any software development activities (labor costs, subcontractor costs, etc.) in accordance with Federal Accounting Standards Advisory Board Statement of Federal Financial Accounting Standards Number 10 (Preliminary design costs, Development costs and post implementation costs) and cite payment terms. The contractor shall provide make and model descriptions as well as serial numbers for purchases of hardware and software (where applicable.)
- (h) Frequency of Invoice Submission. This area is for the CO to document how often the contractor is allowed to submit invoices. An example is "Invoices shall be submitted on a monthly basis in accordance with the schedule."

## **SECTION H, SPECIAL CONTRACT REQUIREMENTS**

### **H.1 5200.204.001 MAJOR BREACH OF SAFETY OR SECURITY (DEC 2015)**

(a) Safety is the freedom from those conditions that can cause death, injury, occupational illness, damage to or loss of equipment or property, or damage to the environment. Safety is essential to TSA and compliance with safety standards and practices is a material part of this contract. A major breach of safety may constitute a breach of contract that entitles the Government to exercise any of its rights and remedies applicable to material parts of this agreement, including termination for default. A major breach of safety must be related directly to the work on the agreement. A major breach of safety is an act or omission of the Contractor that consists of an accident, incident, or exposure resulting in a fatality, serious injury, or mission failure; or in damage to equipment or property equal to or greater than \$1 million; or in any "willful" or "repeat" violation cited by the Occupational Safety and Health Administration (OSHA) or by a state agency operating under an OSHA approved plan.

(b) Security is the condition of safeguarding against espionage, sabotage, crime (including computer crime), or attack. A major breach of security may constitute a breach of contract that entitles the Government to exercise any of its rights and remedies applicable to material parts of this agreement, including termination for default. A major breach of security may occur on or off Government installations, but must be related directly to the work on the agreement. A major breach of security is an act or omission by the Contractor that results in compromise of classified information or sensitive security information or sensitive but unclassified information, including contractor proprietary information, illegal technology transfer, workplace violence resulting in criminal conviction, sabotage, compromise or denial of information technology services, equipment or property damage from vandalism greater than \$250,000, or theft greater than \$250,000.

NOTE: Breach of Security for the purposes of this definition should not be confused with breach of security in screening operations.

(c) In the event of a major breach of safety or security, the Contractor shall report the breach to the Contracting Officer. If directed by the Contracting Officer, the Contractor shall conduct its own investigation and report the results to the Government. The Contractor shall cooperate with the Government investigation, if conducted.

### **H.2 5200.204.002 PERSONNEL ACCESS (MAR 2016)**

1. All Contractor personnel requiring access to TSA facilities, information systems, or information will be subject to the security procedures set forth in this contract.
2. Whenever personal identity verification (PIV) cards are required for issuance or re-issuance to contractor personnel for authorized access to Government facilities, under the guidance of the Contracting Officer's Representative (COR), the Contractor is responsible for making all arrangements for affected Contractor personnel to report in-person at the nearest Government issuing facility to initiate and complete procedures for PIV card issuance. The Government

will not be able to provide PIV card issuance at any other locations than those officially designated as available. PIV card issuing facilities that are available for the completion of this requirement for TSA contractors are as listed by the TSA Personnel Security Section, and the COR will advise the Contractor about Government PIV card issuing facility locations that are nearby the contractor's location(s) of performance that will be potentially available for card issuance when required.

### **H.35200.209.004 STAFF-LIKE ACCESS DETERMINATION FOR CONTRACTOR EMPLOYEES (FEB 2016)**

All contractor employees seeking to provide services to TSA under a TSA contract are subject to a fitness determination to assess whether their initial employment or continued employment on a TSA contract protects or promotes the efficiency of the agency. TSA, by and through the Office of Security, Personnel Security Section (PerSec), will allow a contractor employee to commence work on a TSA contract only if a review of the contractor employee's preliminary background check is favorable. Contractor employees with unfavorable preliminary background checks will not be allowed to work on a TSA contract.

A fitness determination involves the following three phases:

**Phase 1: Enter On Duty Fitness Determination:** a review of a contractor employee's consumer credit report, criminal history records, and submitted security forms to determine, to the extent possible, if the contractor employee has bad debt and/or criminal offenses and/or falsification issues that would prohibit employment as a TSA contractor. This determination may include verification of citizenship for contractor employees born outside of the United States. A favorable Enter On Duty Suitability Determination is not a final fitness determination; rather, it is a preliminary review of external data sources that allows the contractor employee to commence work prior to the required background investigation being completed.

When a contractor employee is deemed eligible to commence work on a TSA contract, TSA PerSec will notify the appropriate Contracting Officer's Representative (COR) of the favorable determination. Similar notifications will be sent when a contractor employee has not passed the preliminary background check and has been deemed unsuitable.

**Phase 2: Background Investigation:** Once the contractor employee commences work on a TSA contract, TSA PerSec will process all submitted security forms to determine whether the contractor has previously been the subject of a federal background investigation sufficient in scope to meet TSA minimum investigative requirements. Contractor employees who have a federal investigation sufficient in scope will immediately be processed for final fitness adjudication. Those contractor employees who do not have a previous federal background investigation sufficient in scope will be scheduled for the appropriate level background investigation through the submission of their security forms to the Office of Personnel Management (OPM).

**Phase 3: Final Fitness Adjudication:** TSA PerSec will complete the final fitness determination after receipt, review, and adjudication of the completed OPM background investigation. The

final fitness determination is an assessment made by TSA PerSec to determine whether there is reasonable expectation that the continued employment of the TSA contractor will or will not protect or promote the efficiency of the agency. An unfavorable final fitness determination will result in a notification to the COR that the contractor employee has been deemed unfit for continued contract employment and that he/she shall be removed from the TSA contract.

#### **H.4 5200.204.005 NON-FEDERAL ACCESS TO TSA NATIONAL CAPITAL REGION FACILITIES (September 2016)**

- (a) **Background.** Department of Homeland Security (DHS) Visitor Access Policy mandates that visitors, to include all parties such as proposed subcontractors, accessing DHS National Capital Region (NCR) Component Headquarters and related Headquarters NCR facilities be subject to a criminal history check. To that end, in July 2016, TSA began requiring the submission of Personally Identifiable Information (PII) for all non-federal visitors and foreign national visitors entering TSA facilities in the National Capital Region, including TSA Headquarters, the Freedom Center, Annapolis Junction, Walker Lane, and the Transportation Security Integration Facility (TSIF), in order to process the required screening checks. Of note, for contracts requiring access to TSA facilities, information systems, or sensitive but unclassified information as part of contract performance, contractor employees are subject to a suitability determination. (See H.5200.209.004, Staff-Like Access Determination for Contractor Employees).
- (b) **Purpose:** The submitted information will be used to conduct screening checks to permit and maintain records of access to DHS NCR facilities pursuant to the authority of 40 U.S.C. § 1315; 41 C.F.R. Part 102-81; Executive Order. 9397.
- (c) **Applicability:** A Non-Federal Visitor or Foreign National Visitor is an individual who has not been issued a DHS Personal Identity Verification (PIV) card or is not a current Federal government employee. Non-TSA current Federal government employees will be recorded in the Visitor Request Form excluding any PII.
- (d) **Routine Uses:** The information requested may be shared externally as a "routine use" to the Department of Justice, Federal Bureau of Investigation and other government agencies as part of the screening process. A complete list of the routine uses can be found in the system of records notice, "Department of Homeland Security/ALL-024 Facility and Perimeter Access Control and Visitor Management System of Records."
- (e) **Consequences of Failure to Provide Information:** Providing this information, including Social Security Number (SSN), is voluntary. However, failure to provide the information requested may result in being denied access to a DHS facility; failure to provide the SSN may prevent completion of screening.
- (f) **Information Requirements.** In accordance with the above:
  1. **Non-Federal Visitors.** Non-Federal visitors to TSA facilities will need to provide Date of Birth and Social Security Number information. The required information shall be provided

in a password protected Microsoft Excel spreadsheet emailed to the Contracting Officer at least one (1) full business day prior to the visit date. (For further information, the Contracting Officer is a federal government employee who is specifically authorized and appointed in writing under specified agency procedures and granted the authority to enter into, administer, and/or terminate contracts and make related determinations and findings.) The Contracting Officer may delegate the receipt of this information to the respective Contracting Officer Representative (COR). In order to ensure protection of this information, the password for the password protected spreadsheet shall be sent to the Contracting Officer (or delegated COR) in a separate email, at the same time. If multiple non-federal visitors from one company require access to TSA Headquarters facilities, that company should submit a single complete spreadsheet. A DHS/TSA employee shall be responsible for inputting the information into the Visitor Request Form. The submitted emails shall then be deleted by TSA.

2. Foreign National Visitors. Foreign Nationals visiting TSA facilities in the U.S. and its territories will need to submit additional information to screening purposes, specifically:

- Date of Birth
- Gender
- Country of Citizenship
- Country of Birth
- Passport Number and Expiration Date
- Position/Title

The required information shall be provided in a password protected Microsoft Excel spreadsheet emailed to the Contracting Officer at least seven (7) full business days prior to the visit date. The Contracting Officer may delegate the receipt of this information to the respective Contracting Officer Representative (COR). In order to ensure protection of this information, the password for the password protected spreadsheet shall be sent to the Contracting Officer (or delegated COR) in a separate email, at the same time. If multiple Foreign National visitors from one company require access to TSA Headquarters facilities, that company should submit a single complete spreadsheet. A DHS/TSA employee shall be responsible for inputting the information into the Visitor Request Form. The submitted emails shall then be deleted by TSA.

#### **H.5 5200.212.001 COMMERCIAL APPLICABILITY (JUL 2015)**

This contract  is  is not for commercial item, as defined by FAR 2.1.

#### **H.6 5200.224.001 DISCLOSURE OF INFORMATION (JUL 2015)**

Information furnished by the Contractor under this contract may be subject to disclosure under the Freedom of Information Act (FOIA). Therefore, all items that are confidential to business, or contain trade secrets, proprietary, or personally-identifiable information must be clearly marked.

Any information made available to the Contractor by the Government must be used only for the purpose of carrying out the requirements of this contract and must not be divulged or made

known in any manner to any person except as may be necessary in the performance of the contract.

In performance of this contract, the Contractor assumes responsibility for protection of the confidentiality of Government records and information and must ensure that all work performed by its Subcontractor(s) shall be under the supervision of the Contractor or the Contractor's employees.

#### **H.7 5200.231.001 TRAVEL AND PER DIEM (JUL 2015)**

The Contractor shall be reimbursed for travel costs associated with this contract. The reimbursement for those costs shall be as follows:

Travel subsistence reimbursements will be authorized under the rates and conditions under the Federal Travel Regulations. Per diem will be reimbursed, at actual costs, not to exceed, the per diem rates set forth in the Federal Travel Regulations prescribed by General Services Administration and when applicable, Standardized Regulations Section 925 – Maximum Travel Per Diem Allowances for Foreign Areas – prescribed by the Department of State.

- Travel of more than 10 hours, but less than 24 hours, when no lodging is required, per diem shall be one-half of the Meals and Incidental Expenses (M&IE) rate applicable to the locations of temporary duty assignment. If more than one temporary duty point is involved, the allowance of one-half of the M&IE rate is prescribed for the location where the majority of the time is spent performing official business. The per diem allowance shall not be allowed when the period of official travel is 10 hours or less during the same calendar day.
- Airfare costs in excess of the lowest rate available, offered during normal business hours are not reimbursable.
- All reimbursable Contractor travel shall be authorized through the issuance of a task order executed by the Contracting Officer.

Local Travel Costs will not be reimbursed under the following circumstances:

- Travel at Government installations where Government transportation is available
- Travel performed for personal convenience/errands, including commuting to and from work; and
- Travel costs incurred in the replacement of personnel when such replacement is accomplished for the Contractor's or employee's convenience.

#### **H.8 5200.237.004 Contractor Responsibility, Conduct and Performance under TSA Service Contracts (JAN 2016)**

##### **A. BASIC REQUIRED STANDARDS OF CONDUCT RELATED TO BUSINESS UNDER GOVERNMENT CONTRACTS**

1. General. The Government has the basic inherent expectations of timely, focused, effective, and competent performance by the Contractor under a contract. The Contractor has the basic inherent expectation of fair treatment under the contract, where the Contractor's

employees, when in Government facilities or in circumstances where the Government has primary control or responsibility, have the expectation of performance in a safe and non-hostile work environment.

2. Adherence to Standards. The Contractor shall adhere to the same professional and ethical standards of conduct required of Government personnel. Contractor employees performing work under this contract shall not:

- a) Solicit new business (on-site at government spaces, or while on work during periods paid by Government) while performing work under the contract;
- b) Conduct business other than that which is covered by this contract during periods paid by the Government;
- c) Conduct business not directly related to this contract while on Government premises;
- d) Use Government computer systems or networks, Government property or materials, and/or Government facilities for company or personal business;
- e) Recruit while on Government premises or otherwise act to disrupt official Government business while on Government premises.
- f) Discuss with unauthorized persons any information obtained during the performance of work under this contract.

3. Reporting Matters.

a) Illegal and Unethical Conduct. The Contractor, and its employees shall immediately report to the Contracting Officer and/or Contracting Officer's Representative, any illegal or unethical conduct observed, noticed, or discovered while on Government premises or during periods paid by the Government under this contract, without regard as to the source of such conduct (except that any matter involving only contractor employees, apart from any Government requirements or the specific requirements of this contract, is deemed to be strictly the concern of the Contractor). The Contractor shall immediately report to the Government all actual or suspected violations of Government information, personnel, or physical security requirements. The Contractor shall fully comply with all of the reporting requirements that are expressed for specified circumstances and issues identified in discrete Federal Acquisition Regulation or Homeland Security Acquisition Regulation clauses in force under this contract.

b) Emergency Situations While on Government Premises. Contractor employees shall immediately report any emergency situations they may witness (any circumstance where actual or potential loss of life, serious injury, or critical damage to property, or other serious incidents, such as fires, or workplace violence, terrorist activities, or other criminal behavior is occurring) per standing TSA procedures while they are performing under contract in government facilities.

c) Government Employee Misconduct. In the event of misconduct by a government employee which is observed or witnessed by a contractor employee, (or in the event of any unauthorized conduct to which a Government employee may subject a contractor employee) the contractor employee shall immediately report such to their on-site contractor supervisor or other company-designated management official, the Contracting Officer and/or Contracting Officer's Representative.

d) Workplace safety. In the event of any situation involving workplace safety, the contractor employee shall immediately report such to their on-site contractor supervisor or other company -designated management official, the Contracting Officer and/or Contracting Officer's Representative.

4. The Contracting Officer may require dismissal from work under this contract and/or removal of access to government facilities, property, information and/or information systems of those employees which the Contracting Officer deems contrary to the public interest or inconsistent with the best interest of national security.

5. Non-Disclosure Agreements are required to be signed by all Contractor personnel when their role requires them to come into contact with Sensitive But Unclassified, Government procurement sensitive information, and/or other sensitive information, or proprietary business information from other Contractors (e.g., cost data, plans, and strategies). The recipient certifies in writing that they will take the necessary steps to prevent the unauthorized disclosure and use of information. The Contracting Officer will provide the prescribed non-disclosure forms as necessary to the Contractor when circumstances warrant.

#### **B. BASIC REQUIREMENTS AFFECTING CONTRACTOR PERFORMANCE**

1. Contractor Responsibility for Performance Management. The Contractor shall provide all management, administrative, clerical, and supervisory functions required for the effective and efficient performance of this contract.

2. Limitation on Government Liability. The Government shall not be liable for any injury to the Contractor's personnel or damage to the Contractor's property unless such injury or damage is due to negligence on the part of the Government and is recoverable under the Federal Torts Claims Act, or pursuant to another Federal statutory authority.

3. Responsibility for Effective Contract Transitions. A smooth and orderly transition between the Contractor and a predecessor or successor Contractor is necessary to ensure minimum disruption to vital Government business. The Contractor shall cooperate fully in the transition.

4. The Government observes the following holidays:

New Year's Day  
 Martin Luther King, Jr. Birthday  
 Washington's Birthday (President's Day)  
 Memorial Day  
 Independence Day  
 Labor Day  
 Columbus Day  
 Veteran's Day  
 Thanksgiving Day  
 Christmas Day

a) In addition to the days designated as holidays, the Government observes also the following days:

- Any other day designated by Federal Statute, and
- Any other day designated by Executive Order, and
- Any other day designated by President's Proclamation, such as extreme weather conditions.
- Inauguration Day (Washington, DC metropolitan area)

b) When the Government grants excused absence to its employees in a specific location, assigned Contractor personnel at that same location may also be dismissed. The Contractor agrees to continue to provide sufficient personnel to perform critical tasks already in operation or scheduled, and shall be guided by the instructions issued by the Contracting Officer or the Contracting Officer's Representative. Observance of such holidays by Government personnel shall not be a reason for the Contractor to request an extension of the period of performance, or entitlement of compensation except as set forth within the contract.

c) In the event the Contractor's personnel work during the holiday or other excused absences, they may be compensated by the Contractor, however, no form of holiday or other premium compensation will be considered either as a direct or indirect cost, other than their normal compensation for the time worked. For cost reimbursable and time and material (T&M) contracts, the Government will only consider as direct and/or indirect costs those efforts actually performed during the holiday or excused absences in the event contractor personnel are not dismissed. This provision does not preclude reimbursement for authorized overtime work if applicable to this contract.

Otherwise, the management responsibility for contractor functions approved by the Contracting Officer for offsite work, in the event of inaccessibility of federal workplaces are the sole responsibility of the contractor. The contractor may propose telework or other solutions when critical work is required, however, the Contractor is solely responsible for any cost differential in performance, all liabilities that may be due to performance at an alternate location and all resources necessary to complete such performance.

d) In the event of an actual emergency, the Contracting Officer may direct the contractor to change work hours or locations or institute telework, utilize personal protective equipment or other mandated items.

e) In the event of a Government shutdown caused by a lapse in appropriations, which can occur at the beginning of a fiscal year if no funds have been appropriated for that year, or upon expiration of a continuing resolution if a new continuing resolution or appropriations law is not passed, the Contractor shall continue performance under the contract unless otherwise instructed in writing by a Contracting Officer. Unless the Contractor is provided a formal notification to the contrary, usually via a Stop Work Order pursuant to FAR 52.242-15, the Contractor must continue to comply with all terms and conditions of the contract. If a contract will not be affected by a shutdown, generally no separate notification or communication of that fact will be provided.

**C. CONTRACTOR'S RESPONSIBILITY FOR ASSIGNED SPACE, EQUIPMENT, AND SUPPLIES.**

If, due to the fault or neglect of the Contractor, his agents, or employees, damages are caused to any Government property, equipment, stock or supplies, during the performance of this contract, the Contractor shall be responsible for such loss or damage and the Government, at its option, may either require the Contractor to replace all property or to reimburse the Government for the full value of the lost or damaged property. The Contractor is responsible for maintaining all assigned space(s) in a clean and orderly fashion during the course of this contract. All telephones are for conducting official Government business only.

**D. CONTRACTOR EMPLOYEE TRAINING REQUIREMENTS.** The Contracting Officer's Representative will identify any specified government training which the contractor's employees with access to TSA IT accounts will be required to complete as a precursor to or coincident with their authorized access to or use of government space or facilities, equipment, information, or information systems as a necessary component of performance required under the contract. Contractor employees are responsible for providing required evidence of timely training completion when the Government assigns such training. The contractor shall provide fully trained and experienced personnel. Training of contractor personnel shall be performed by the contractor at its expense, except as directed by the Government through written authorization by the Contracting Officer to meet special requirements peculiar to the contract. Training includes attendance at seminars, symposia or user group conferences. Training will not be authorized for the purpose of keeping contractor personnel abreast of advances in the state-of-the-art or for training contractor employees on equipment, computer languages and computer operating systems that are available on the commercial market or required by a contract. This includes training to obtain or increase proficiency in word processing, spreadsheets, presentations, and electronic mail.

**E. COOPERATION WITH AUDITORS AND INVESTIGATORS.** The Contractor shall cooperate fully with all auditors and investigators on all matters arising under or directly related to this contract and/or any other matter that may occur in relation to the contractor's presence within Government facilities or due to access to Government information, information systems, property or equipment.

**F. EMPLOYEE REMOVAL.** The Government may identify to the Contractor any contractor employee for removal from contract performance upon notification of failure to comply with the requirements herein.

**G. EMPLOYEE TERMINATION.** The contractor shall notify the Contracting Officer and the Contracting Officer's Representative within 48 hours when an employee performing work under this contract who has been granted access to government information, information systems, property, or government facilities access terminates employment, no longer is assigned to the contract, or no longer requires such access. The contractor shall be responsible for returning, or ensuring that employees return, all DHS/TSA -issued contractor/employee identification, all other TSA or DHS property, and any security access cards to Government offices issued by a landlord of commercial space.

**H. PERSONNEL CHANGES.** The Contractor shall notify the Contracting Officer's Representative (COR) in writing of any changes needed in building, information systems, or other information access requirements for its employees in order to meet contract requirements not later than one day after any personnel changes occur. This includes name changes, resignations, terminations, and transfers to other Contractors. The Contractor shall provide the following information to the COR: full name, social security number, effective date, and reason for change.

**I. SUBSTITUTION OF KEY PERSONNEL .** The Contractor shall notify the Contracting Officer (CO) and the Contracting Officer's Technical Representative (COR) prior to making any

changes in Key Personnel. No changes in Key Personnel will be made unless the Contractor can demonstrate that the qualifications of prospective replacement personnel are equal to or better than the qualifications of the Key Personnel being replaced or otherwise meet the standards applicable in the contract. All proposed substitutes shall have qualifications equal to or higher than the qualifications of the person to be replaced. The CO shall be notified in writing of any proposed substitution at least fifteen (15) days, or forty-five (45) days if either a background investigation for building or information system access and/or a security clearance (due to classified contract requirements that relate specifically to personnel) must be obtained to meet the contract's requirements, in advance of the proposed substitution. Such notification from the contractor shall include:

1. an explanation of the circumstances necessitating the substitution;
2. a complete resume of the proposed substitute; and
3. any other information requested by the CO to enable him/her to judge whether or not the Contractor is maintaining the same high quality of personnel that provided the partial basis for award.

The CO and COR will evaluate substitution requests and promptly notify the Contractor of his/her approval or disapproval in writing. All disapprovals will require resubmission of another substitution within 15 calendar days by the Contractor.

J. **FAILURE TO COMPLY**. Any failure by the Contractor to comply with these requirements may result in a contract termination and/or any other remedy available to the Government, up to and including criminal prosecution where provided for by law.

K. **INTERRELATIONSHIP OF ASSOCIATE CONTRACTORS**. The TSA may enter into contractual agreements with other Contractors (i.e., "Associate Contractors") in order to fulfill requirements separate from the work to be performed under this contract, yet having a relationship to performance under this contract. It is expected that contractors working under TSA contracts will have to work together under certain conditions in order to achieve a common solution for TSA. The Contractor may be required to coordinate with other such Contractor(s) through the cognizant Contracting Officer (CO) and/or designated representative in providing suitable, non-conflicting technical and/or management interface and in avoidance of duplication of effort. Information on deliverables provided under separate contracts may, at the discretion of the TSA and/or other Government agencies, be provided to such other Contractor(s) for the purpose of such work.

Where the Contractor and an associate Contractor fail to agree upon action to be taken in connection with their respective responsibilities, each Contractor shall promptly bring the matters to the attention of the cognizant CO and furnish the Contractor's recommendations for a solution. The Contractor shall not be relieved of its obligations to make timely deliveries or be entitled to any other adjustment because of failure of the Contractor and its associate to promptly refer matters to the CO or because of failure to implement CO directions.

Where the Contractor and Associate Contractors are required to collaborate to deliver a service; the Government will designate, in writing and prior to the definition of the task, to both Contractors, a "lead Contractor" for the project. In these cases the Associate Contractors shall

also be contractually required to coordinate and collaborate with the Contractor. TSA will facilitate the mutual execution of Non-Disclosure Agreements.

#### **L. PERSONAL SERVICES**

“Personal services” are those in which contractor personnel would appear to be, in effect, Government employees via the direct supervision and oversight by Government employees. No personal services shall be performed under this contract. No Contractor employee will be directly supervised by a Government employee. All individual Contractor employee assignments, and daily work direction, shall be given by the applicable employee supervisor of the Contractor. If the Contractor believes any Government action or communication has been given that would create a personal services relationship between the Government and any Contractor employee, the Contractor shall promptly notify the Contracting Officer of this communication or action.

The Contractor shall not perform any inherently Governmental actions as defined by FAR 7.500. No Contractor employee shall hold him or herself out to be a Government employee, agent, or representative. No Contractor employee shall state orally or in writing at any time that he or she is acting on behalf of the Government. In all communications in connection with this contract, Contractor employees shall identify themselves as Contractor employees and specify the name of the company for which they work. In all communications with other Government Contractors in connection with this contract, the Contractor employee shall state that they have no authority to in any way change any contract and that if the other Contractor believes this communication to be a direction to change their contract, they should notify the Contracting Officer for that contract and not carry out the direction until a clarification has been issued by the Contracting Officer.

The Contractor shall ensure that all of its employees working on this contract are informed of the substance of this clause. Nothing in this special contract requirement shall limit the Government’s rights in any way under any other term of the contract, including those related to the Government’s right to inspect and accept the services to be performed under this contract. The substance of this special contract requirement shall be included in all subcontracts at any tier.

Compliance with this Special Contract Requirement is included in the contract price and shall not be a basis for equitable adjustment.

#### **H.9 5200.239.001 ELECTRONIC AND INFORMATION TECHNOLOGY TO ACCOMMODATE USERS WITH DISABILITIES (SECTION 508 OF THE REHABILITATION ACT) (JUL 2015)**

Section 508 of the Rehabilitation Act prohibits federal agencies from procuring, developing, maintaining, or using electronic and information technology (EIT) that is inaccessible to people with disabilities. The applicable standards in Section 508 of the Rehabilitation Act, as amended, shall apply to this contract and any items, or services covered by or provided in connection with this requirement. The Contractor shall provide items and services that comply with Section 508 requirements and the Electronic and Information Accessibility Standards at 36 CFR Part 1194.

**H.10 5200.239.002 SPECIAL INFORMATION TECHNOLOGY CONTRACT SECURITY REQUIREMENTS (JUL 2015)**

(a) Identification Badges. All Contractor employees shall be required to obtain and wear TSA identification badges when working in TSA facilities.

(b) Computer Access Agreement. All Contractor employees (users, managers, and operators of the TSA network) must sign TSA Form 1403, Computer Access Agreement. A copy of which shall be provided to the TSA contracting officer's representative for retention for the duration of the contract.

(c) Personnel Security.

(1) Privileged access users are individuals who have access to an information technology (IT) system with privileges of Administrator or above and have access to sensitive network infrastructure data. Privileged access users will be appropriately screened on entry into the privileged access position and the initial screening shall be refreshed every two years,

(2) Individuals terminating voluntarily or involuntarily from a Contractor performing under contract at TSA must have an exit briefing, conducted by a supervisory or management-level employee of the Contractor in order to identify and explain their post-employment responsibilities to the TSA.

(3) Records of exit interviews will be signed and maintained by the Contractor as part of the individual employment record for a period of not less than two years following the termination of the individual's employment.

(4) The Contractor shall notify the Contracting Officer's Representative and the Contracting Officer with proposed personnel changes. Written confirmation is required. This includes, but is not limited to, name changes, resignations, terminations, and reassignments to another contract.

(5) The Contractor shall notify the TSA, in writing of any requested change in access requirements for its employees no later than one day after any personnel changes occur. This includes name changes, resignations, terminations, and transfers to other company engagements. The Contractor shall provide the following information to TSA: full name, social security number, effective date, and reason for change.

(6) The Contracting Officer must approve all personnel replacements. Estimated completion of the necessary background investigation for employee access to government facilities and information systems is approximately 30 days from the date the completed forms are received (and acknowledged as complete) in the Security Programs Division.

(7) Failure of any Contractor personnel to pass a background investigation, without timely substitution that meets the contracts requirements, may be grounds for termination of the contract.

(d) Non-Disclosure Agreements.

(1) All TSA contractor employees and consultants must execute a DHS Form 11000-6, Sensitive But Unclassified Information Non-Disclosure Agreement (NDA) upon initial assignment to TSA and before being provided access to TSA “sensitive and/or mission critical information.” The original NDA will be provided to the TSA contracting officer’s representative for retention for the duration of the contract.

(2) The Contractor, and those operating on its behalf, shall adhere to the requirements of the non-disclosure agreement unless otherwise authorized in writing by the Contracting Officer.

(e) Performance Requirements.

(1) The Contractor shall not be liable for any injury to Government personnel or damage to Government property arising from the use of equipment maintained by the Contractor, unless such injury or damage is due to the fault or negligence of the Contractor.

(2) Contracting Officer’s Representative (COR) and IT Security Division shall conduct reviews to ensure that the security requirements in the contract are implemented and enforced.

**H.11 5200.245.002 REQUIRED CONTRACTOR PROPERTY DELIVERY REPORTING (DEC 2015)**

When the Contractor purchases property ultimately intended for Government use and title of ownership, or otherwise delivers equipment to the Government as required under this contract, the Contractor shall provide the completed TSA Form 251 “Vendor Shipping and Receiving Report” and the TSA Form 251-1 “Vendor Shipping and Receiving Report Extension” for each delivery of equipment under discrete Contract Line Item Numbers when applicable, to the Product Contracting Officer’s Representative and to the TSA Office of Property Management using this email address at [TSA-Property@dhs.gov](mailto:TSA-Property@dhs.gov). Expendable and/or consumable items delivered by the Contractor (items consumed in use or which are an integral part of another system, office supplies, paper, printer cartridges, etc.) should not be submitted via these forms. All items having an acquisition value of \$5,000 or more, all electronics or Information Technology equipment having a data storage capability ( i.e., computers, servers, routers, switches, BlackBerrys, Personal Digital Assistants), and all firearms must be submitted by the Contractor via these forms within 24 hours of the equipment being shipped to TSA or other designated site.

## SECTION I, CONTRACT CLAUSES

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

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

FAR Clause No.	Title and Date
52.202-1	Definitions (NOV 2013)
52.203-3	Gratuities. (APR 1984)
52.203-5	Covenant Against Contingent Fees. (MAY 2014)
52.203-6	Restrictions on Subcontractor Sales to the Government (SEP 2006)
52.203-7	Anti-Kickback Procedures. (MAY 2014)
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity. (MAY 2014)
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity. (MAY 2014)
52.203-15	Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009 (JUN 2010)
52.203-17	Contractor Employee Whistleblower Rights and Requirement To Inform Employees of Whistleblower Rights (APR 2014)
52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards. (OCT 2015)
52.204-12	Data Universal Numbering System Number Maintenance (DEC 2012)
52.204-13	System for Award Management Maintenance (JUL 2013)
52.204-19	Incorporation by Reference of Representations and Certifications (DEC 2014)
52.209-6	Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment. (OCT 2015)
52.209-10	Prohibition on Contracting With Inverted Domestic Corporations (NOV 2015)
52.211-5	Material Requirements (AUG 2000)
52.215-2	Audit and Records – Negotiation. (OCT 2010)
52.215-10	Price Reduction for Defective Certified Cost or Pricing Data. (AUG 2011)
52.215-14	Integrity of Unit Prices. (OCT 2010)

52.215-17	<b>Waiver of Facilities Capital Cost of Money (OCT 1997)</b>
52.219-28	<b>Post-Award Small Business Program Rerepresentation (JUL 2013)</b>
52.222-3	<b>Convict Labor (JUN 2003)</b>
52.222-21	<b>Prohibition of Segregated Facilities (APR 2015)</b>
52.222-26	<b>Equal Opportunity (APR 2015)</b>
52.222-40	<b>Notification of Employee Rights Under the National Labor Relations Act (DEC 2010)</b>
52.222-50	<b>Combating Trafficking in Persons (MAR 2015)</b>
52.222-54	<b>Employment Eligibility Verification (OCT 2015)</b>
52.223-6	<b>Drug-Free Workplace (MAY 2001)</b>
52.223-18	<b>Encouraging Contractor Policies to Ban Text Messaging While Driving (AUG 2011)</b>
52.225-13	<b>Restrictions on Certain Foreign Purchases. (JUN 2008)</b>
52.225-25	<b>Prohibition on Contracting with Entities Engaging in Sanctioned Activities Relating to Iran–Representation and Certification. (OCT 2015)</b>
52.227-14	<b>Rights in Data–General (MAY 2014)</b>
52.227-16	<b>Additional Data Requirements (JUN 1987)</b>
52.227-17	<b>Rights in Data – Special Works (DEC 2007)</b>
52.232-1	<b>Payments (APR 1984)</b>
52.232-2	<b>Payments under Fixed-Price Research and Development Contracts (APR 1984)</b>
52.232-25	<b>Prompt payment. (JUL 2013) -- Alternate I (FEB 2002)</b>
52.232-34	<b>Payment by Electronic Funds Transfer--Other Than System for Award Management (JUL 2013)</b>
52.232-39	<b>Unenforceability of Unauthorized Obligations (JUN 2013)</b>
52.233-1	<b>Disputes (MAY 2014)</b>
52.233-3	<b>Protest after Award (AUG 1996)</b>

52.233-4	Applicable Law for Breach of Contract Claim (OCT 2004)
52.242-13	Bankruptcy (JUL 1995)
52.243-1	Changes - Fixed Price. (AUG 1987) – Alternate II (APR 1984)
52.243-3	Changes -- Time-and-Materials or Labor-Hours (SEP 2000)
52.244-6	Subcontracts for Commercial Items (JUN 2016)
52.245-1	Government Property (APR 2012)
52.245-9	Use and Charges (APR 2012)
52.249-2	Termination for Convenience of the Government (Fixed-Price) (APR 2012)
52.249-8	Default (Fixed-Price Supply and Service) (APR 1984)
52.249-14	Excusable Delays (APR 1984)

HSAR Clause No.	Title and Date
3052.205-70	Advertisements, Publicizing Awards, and Releases (SEP 2012)
3052.242-72	Contracting Officers Technical Representative (DEC 2003)

**I.2 FAR 52.204-1 APPROVAL OF CONTRACT (DEC 1989)**

This contract is subject to the written approval of *TSA Contracting Officer* and shall not be binding until so approved.

**I.3 FAR 52.215-19 Notification of Ownership Changes. (OCT 1997)**

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

(1) When the Contractor becomes aware that a change in its ownership has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the Contractor shall notify the Administrative Contracting Officer (ACO) within 30 days.

(2) The Contractor shall also notify the ACO within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership.

(b) The Contractor shall -

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

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

#### **I.4 FAR 52.217-9 Option to Extend the Term of the Contract (Mar 2000)**

- (a) The Government may extend the term of this contract by written notice to the Contractor within 60 days; provided that the Government gives the Contractor preliminary written notice of its intent to extend at least 60 days before the contract expires. The preliminary notice does not commit the Government to an extension.
- (b) If the Government exercised 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 three years.

#### **I.5 FAR 52.222-35 -- Equal Opportunity for Veterans (Oct 2015)**

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

“Active duty wartime or campaign badge veteran,” “Armed Forces service medal veteran,” “disabled veteran,” “protected veteran,” “qualified disabled veteran,” and “recently separated veteran” have the meanings given at FAR 22.1301.

(b) *Equal opportunity clause.* The Contractor shall abide by the requirements of the equal opportunity clause at 41 CFR 60-300.5(a), as of March 24, 2014. This clause prohibits discrimination against qualified protected veterans, and requires affirmative action by the Contractor to employ and advance in employment qualified protected veterans.

(c) *Subcontracts.* The Contractor shall insert the terms of this clause in subcontracts of \$150,000 or more unless exempted by rules, regulations, or orders of the Secretary of Labor. The Contractor shall act as specified by the Director, Office of Federal Contract Compliance Programs, to enforce the terms, including action for noncompliance. Such necessary changes in

language may be made as shall be appropriate of identify properly the parties and their undertakings.

**I.6 FAR 52.222-37 -- Employment Reports on Veterans (Feb 2016)**

(a) *Definitions.* As used in this clause, “active duty wartime or campaign badge veteran,” “Armed Forces service medal veteran,” “disabled veteran,” “protected veteran,” and “recently separated veteran,” have the meanings given in FAR 22.1301.

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

(1) The total number of employees in the contractor's workforce, by job category and hiring location, who are protected veterans (*i.e.*, active duty wartime or campaign badge veterans, Armed Forces service medal veterans, disabled veterans, and recently separated veterans);

(2) The total number of new employees hired during the period covered by the report, and of the total, the number of disabled veterans (*i.e.*, active duty wartime or campaign badge veterans, Armed Forces service medal veterans, disabled veterans, and recently separated veterans); and

(3) The maximum number and minimum number of employees of the Contractor or subcontractor at each hiring location during the period covered by the report.

(c) The Contractor shall report the above items by filing the VETS-4212 “Federal Contractor Veterans’ Employment Report” (see “VETS-4212 Federal Contractor Reporting” and “Filing Your VETS-4212 Report” at <http://www.dol.gov/vets/vets4212.htm> ).

(d) The Contractor shall file VETS-4212 Reports no later than September 30 of each year.

(e) The employment activity report required by paragraphs (b)(2) and (b)(3) of this clause shall reflect total new hires, and maximum and minimum number of employees, during the most recent 12-month period preceding the ending date selected for the report. Contractors may select an ending date--

(1) As of the end of any pay period between July 1 and August 31 of the year the report is due; or

(2) As of December 31, if the Contractor has prior written approval from the Equal Employment Opportunity Commission to do so for purposes of submitting the Employer Information Report EEO-1 (Standard Form 100).

(f) The number of veterans reported must be based on data known to the contractor when completing the VETS-4212. The contractor's knowledge of veterans status may be obtained in a variety of ways, including an invitation to applicants to self-identify (in accordance with 41 CFR

60-300.42), voluntary self-disclosure by employees, or actual knowledge of veteran status by the contractor. This paragraph does not relieve an employer of liability for discrimination under 38 U.S.C. 4212.

(g) The Contractor shall insert the terms of this clause in subcontracts of \$150,000 or more unless exempted by rules, regulations, or orders of the Secretary of Labor.

#### **I.7 HSAR 3052.204-71 CONTRACTOR EMPLOYEE ACCESS (SEP 2012)**

(a) *Sensitive Information*, as used in this clause, means any information, which if lost, misused, disclosed, or, without authorization is accessed, or modified, could adversely affect the national or homeland security interest, the conduct of Federal programs, or the privacy to which individuals are entitled under section 552a of title 5, United States Code (the Privacy Act), but which has not been specifically authorized under criteria established by an Executive Order or an Act of Congress to be kept secret in the interest of national defense, homeland security or foreign policy. This definition includes the following categories of information:

(1) Protected Critical Infrastructure Information (PCII) as set out in the Critical Infrastructure Information Act of 2002 (Title II, Subtitle B, of the Homeland Security Act, Public Law 107-296, 196 Stat. 2135), as amended, the implementing regulations thereto (Title 6, Code of Federal Regulations, Part 29) as amended, the applicable PCII Procedures Manual, as amended, and any supplementary guidance officially communicated by an authorized official of the Department of Homeland Security (including the PCII Program Manager or his/her designee);

(2) Sensitive Security Information (SSI), as defined in Title 49, Code of Federal Regulations, Part 1520, as amended, "Policies and Procedures of Safeguarding and Control of SSI," as amended, and any supplementary guidance officially communicated by an authorized official of the Department of Homeland Security (including the Assistant Secretary for the Transportation Security Administration or his/her designee);

(3) Information designated as "For Official Use Only," which is unclassified information of a sensitive nature and the unauthorized disclosure of which could adversely impact a person's privacy or welfare, the conduct of Federal programs, or other programs or operations essential to the national or homeland security interest; and

(4) Any information that is designated "sensitive" or subject to other controls, safeguards or protections in accordance with subsequently adopted homeland security information handling procedures.

(b) "Information Technology Resources" include, but are not limited to, computer equipment, networking equipment, telecommunications equipment, cabling, network drives, computer drives, network software, computer software, software programs, intranet sites, and internet sites.

(c) Contractor employees working on this contract must complete such forms as may be necessary for security or other reasons, including the conduct of background investigations to determine suitability. Completed forms shall be submitted as directed by the Contracting Officer. Upon the Contracting Officer's request, the Contractor's employees shall be fingerprinted, or subject to other investigations as required. All Contractor employees requiring recurring access to Government facilities or access to sensitive information or IT resources are required to have a favorably adjudicated background investigation prior to commencing work on this contract unless this requirement is waived under Departmental procedures.

(d) The Contracting Officer may require the Contractor to prohibit individuals from working on the contract if the Government deems their initial or continued employment contrary to the public interest for any reason, including, but not limited to, carelessness, insubordination, incompetence, or security concerns.

(e) Work under this contract may involve access to sensitive information. Therefore, the Contractor shall not disclose, orally or in writing, any sensitive information to any person unless authorized in writing by the Contracting Officer. For those Contractor employees authorized access to sensitive information, the Contractor shall ensure that these persons receive training concerning the protection and disclosure of sensitive information both during and after contract performance.

(f) The Contractor shall include the substance of this clause in all subcontracts at any tier where the subcontractor may have access to Government facilities, sensitive information, or resources.

## **I.8 HSAR 3052.209-70 PROHIBITION ON CONTRACTS WITH CORPORATE EXPATRIATES (JUN 2006)**

(a) Prohibitions.

Section 835 of the Homeland Security Act, 6 U.S.C. 395, prohibits the Department of Homeland Security from entering into any contract with a foreign incorporated entity which is treated as an inverted domestic corporation as defined in this clause, or with any subsidiary of such an entity. 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 national security.

(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, 6 U.S.C. 395, 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 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 an acquisition described in section 835(b)(1) of the Homeland Security Act, 6 U.S.C. 395(b)(1).
- (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 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 the Homeland Security Act, 6 U.S.C. 395(b) 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.* The offeror under this solicitation represents that [Check one]:

it is not a foreign incorporated entity that should be treated as an inverted domestic corporation pursuant to the criteria of (HSAR) 48 CFR 3009.108-7001 through 3009.108-7003;

it is a foreign incorporated entity that should be treated as an inverted domestic corporation pursuant to the criteria of (HSAR) 48 CFR 3009.108-7001 through 3009.108-7003, but it has submitted a request for waiver pursuant to 3009.108-7004, which has not been denied; or

it is a foreign incorporated entity that should be treated as an inverted domestic corporation pursuant to the criteria of (HSAR) 48 CFR 3009.108-7001 through 3009.108-7003, but it plans to submit a request for waiver pursuant to 3009.108-7004.

(g) A copy of the approved waiver, if a waiver has already been granted, or the waiver request, if a waiver has been applied for, shall be attached to the bid or proposal.

## **SECTION J, LIST OF ATTACHMENTS**

(Reserved)