

REQUEST FOR QUOTE

HSTS01-12-Q-FIN017

Under Federal Supply Schedule  
520-11 “Financial and Business Solutions”

*Internal Control Over Financial Reporting (ICOFR) and non-ICOFR  
Assessments, Testing, and Reporting*

This is a notice that this order is a total set aside for “small business concerns”. Only quotes submitted by “small business concerns” will be accepted by the Government. Any quote that is submitted by a contractor that is not “a small business concern” will not be considered for award.

## Table of Contents

<b>Section</b>	<b>Description</b>
I.	Pricing Schedule
II.	Statement of Work (SOW)
III.	Supplemental Clauses
IV.	Attachments
V.	Instructions to Prepare Quote & Evaluation Factors

## SECTION I – PRICING SCHEDULE

The Contractor shall provide the following services per the Statement of Work and in accordance with the terms and conditions of the Contract for the performance period identified in Section II – Statement of Work.

It is understood that the Firm-Fixed-Prices (FFP) for the base and each option periods are inclusive of all costs necessary to implement and fulfill the item numbers and accompanying item descriptions shown in the Price Schedule below. The Cost Reimbursement – Travel CLIN shall Not To Exceed (NTE) the authorized amount.

<b>Base Period Pricing: 6 Months From Date of Award (Date-Date)</b>				<b>GOVERNMENT SITE</b>		<b>CONTRACTOR SITE</b>	
CLIN	TYPE	DESCRIPTION	UNIT	MONTHLY FIXED PRICE	TOTAL PRICE/COST	MONTHLY FIXED PRICE	TOTAL PRICE/COST
0001	FFP	Internal Control Over Financial Reporting(ICOFR) and non-ICOFR Assessments, Testing, and Reporting; Improper Payments Elimination and Reporting Act (IPERA); Management Control Program; Project and Meeting Status Support Services ( <i>Section II - SOW</i> )	JB	<u>\$XXX</u>	<u>\$XXX</u>	<u>\$XXX</u>	<u>\$XXX</u>
0002	Cost Reimbursement	Travel ( <i>Section III – 2.0</i> )	Lot	N/A	NTE \$27,000	N/A	NTE \$27,000
<b><u>TOTAL</u></b>				N/A	<u>\$XXX</u>	N/A	<u>\$XXX</u>

**Note:** The Government has not yet determined whether the contractor will perform on-site. Please provide pricing for both alternatives.

<b>Option Period 1: 6 months (Date-Date)</b>				<b>GOVERNMENT SITE</b>		<b>CONTRACTOR SITE</b>	
CLIN	TYPE	DESCRIPTION	UNIT	MONTHLY FIXED PRICE	TOTAL PRICE/COST	MONTHLY FIXED PRICE	TOTAL PRICE/COST
1001	FFP	ICOFR and non-ICOFR Assessments, Testing, and Reporting; IPERA; Management Control Program; Project and Meeting Status Support Services ( <i>Section II-SOW</i> )	JB	<u>\$XXX</u>	<u>\$XXX</u>	<u>\$XXX</u>	<u>\$XXX</u>
1002	Cost Reimbursement	Travel ( <i>Section III – 2.0</i> )	Lot	N/A	NTE \$27,000	N/A	NTE \$27,000
<b><u>TOTAL</u></b>				N/A	<u>\$XXX</u>	N/A	<u>\$XXX</u>

**Option Period 2: 12 months (Date-Date)**

CLIN	TYPE	DESCRIPTION	UNIT	GOVERNMENT SITE		CONTRACTOR SITE	
				MONTHLY FIXED PRICE	TOTAL PRICE/COST	MONTHLY FIXED PRICE	TOTAL PRICE/COST
2001	FFP	ICOFR and non-ICOFR Assessments, Testing, and Reporting; IPERA: Management Control Program; Project and Meeting Status Support Services ( <i>Section II-SOW</i> )	JB	<u>\$XXX</u>	<u>\$XXX</u>	<u>\$XXX</u>	<u>\$XXX</u>
2002	Cost Reimbursement	Travel ( <i>Section III – 2.0</i> )	Lot	N/A	NTE \$27,000	N/A	NTE \$27,000
<b><u>TOTAL</u></b>				N/A	<u>\$XXX</u>	N/A	<u>\$XXX</u>

**Option Period 3: 12 months (Date-Date)**

CLIN	TYPE	DESCRIPTION	UNIT	GOVERNMENT SITE		CONTRACTOR SITE	
				MONTHLY FIXED PRICE	TOTAL PRICE/COST	MONTHLY FIXED PRICE	TOTAL PRICE/COST
3001	FFP	ICOFR and non-ICOFR Assessments, Testing, and Reporting; IPERA; Management Control Program; Project and Meeting Status Support Services ( <i>Section II-SOW</i> )	JB	<u>\$XXX</u>	<u>\$XXX</u>	<u>\$XXX</u>	<u>\$XXX</u>
3002	Cost Reimbursement	Travel ( <i>Section III – 2.0</i> )	Lot	N/A	NTE \$27,000	N/A	NTE \$27,000
<b><u>TOTAL</u></b>				N/A	<u>\$XXX</u>	N/A	<u>\$XXX</u>

**Option Period 4: 12 months (Date-Date)**

CLIN	TYPE	DESCRIPTION	UNIT	GOVERNMENT SITE		CONTRACTOR SITE	
				MONTHLY FIXED PRICE	TOTAL PRICE/COST	MONTHLY FIXED PRICE	TOTAL PRICE/COST
4001	FFP	ICOFR and non-ICOFR Assessments, Testing, and Reporting; IPERA; Management Control Program; Project and Meeting Status Support Services <i>(Section II-SOW)</i>	JB	<u>\$XXX</u>	<u>\$XXX</u>	<u>\$XXX</u>	<u>\$XXX</u>
4002	Cost Reimbursement	Travel <i>(Section III – 2.0)</i>	Lot	N/A	NTE \$27,000	N/A	NTE \$27,000
<b><u>TOTAL</u></b>				N/A	<u>\$XXX</u>	N/A	<u>\$XXX</u>

**Option Period 5: 12 months (Date-Date)**

CLIN	TYPE	DESCRIPTION	UNIT	GOVERNMENT SITE		CONTRACTOR SITE	
				MONTHLY FIXED PRICE	TOTAL PRICE/COST	MONTHLY FIXED PRICE	TOTAL PRICE/COST
5001	FFP	ICOFR and non-ICOFR Assessments, Testing, and Reporting; IPERA; Management Control Program; Project and Meeting Status Support Services <i>(Section II-SOW)</i>	JB	<u>\$XXX</u>	<u>\$XXX</u>	<u>\$XXX</u>	<u>\$XXX</u>
5002	Cost Reimbursement	Travel <i>(Section III – 2.0)</i>	Lot	N/A	NTE \$27,000	N/A	NTE \$27,000
<b><u>TOTAL</u></b>				N/A	<u>\$XXX</u>	N/A	<u>\$XXX</u>

**SECTION II**  
**STATEMENT OF WORK**  
**HSTS01-12-Q-FIN017**

**A. REQUIRING ORGANIZATION**

Transportation Security Administration (TSA), Office of Financial Management (OFM), Internal Control Branch (ICB)

**B. TITLE OF REQUIREMENT**

Internal Control Over Financial Reporting (ICOFR) and non-ICOFR Assessments, Testing, and Reporting

**C. SCOPE OF SERVICES**

The Contractor shall provide assessment, testing, and reporting support services for ICOFR and Improper Payments Elimination & Recovery Act (IPERA). The support services shall ensure OFM ICB meets requirements in accordance with Department of Homeland Security (DHS)-wide internal controls and Office of Management and Budget (OMB) Circular No. A-123.

In order to meet Federal Managers' Financial Integrity Act (FMFIA) requirements, the Contractor shall also support TSA's Management Control Program by consolidating data and reporting the status of corrective actions associated with financial audits or other financial management reviews.

**D. BACKGROUND**

On October 16, 2004, the President signed into law the Department of Homeland Security (DHS) Financial Accountability Act (hereinafter referred to as the DHS Financial Accountability Act). The DHS Financial Accountability Act requires the Secretary of Homeland Security to include in the Annual Financial Report (AFR), an assertion on internal control over financial reporting. Starting in Fiscal Year (FY) 2006 and for fiscal years thereafter, the Secretary must include in the AFR, an audit opinion on DHS's internal controls over financial reporting.

In addition, Appendix A of the revised Office of Management and Budget (OMB) Circular No. A-123, *"Management's Responsibility for Internal Control"* (OMB Circular A-123, Appendix A) provides specific requirements for federal agencies to establish internal controls over financial reporting, assess those internal controls, correct internal control deficiencies and provide a specific assertion to the reliability of internal controls over financial reporting.

In order to address the requirements of OMB Circular A-123, Appendix A, TSA must first document the process, highlight and assess the related internal controls over financial reporting. The Circular requires the assessment to include an evaluation of the design effectiveness of controls which is documented in the Control Evaluation Matrices; and the testing of operational effectiveness of control activities to determine if they are suitably designed to prevent or detect, on a timely basis, material misstatements in the financial reports.

**E. TECHNICAL REQUIREMENTS**

**E-1.0 A-123 ICOFR AND NON-ICOFR SUPPORT**

Document, assess, and conduct testing of TSA key processes associated with ICOFR and non-ICOFR; support TSA Senior Assessment Team (SAT) meetings; and provide support as described herein to TSA in fulfilling requirements addressed by DHS Internal Control Program Management Office (ICPMO), OMB Circular A-123, Appendix A and the DHS

Financial Accountability Act), GAO, and TSA internal control guidance, as well as, other relevant DHS Office of Chief Financial Officer (OCFO) guidance.

There are thirteen (13) TSA key ICOFR processes in support of the following areas: 1) Budgetary Resources; 2) Human Resources and Payroll Management; 3) Revenue and Receivable Management; 4) Payment Management; 5) Financial Reporting; 6) Property Management; 7) Fund Balance with Treasury; 8) Information Technology General Controls; 9) Entity Level Controls; 10) Government Charge Card - Individual Government Travel Cards; 11) Government Charge Card - Centrally Billed Accounts (CBAs); 12) Government Charge Card - Purchase Cards; and 13) Government Charge Card - Fleet Cards.

While ICOFR processes have an impact on financial reporting, Non-ICOFR are TSA key processes that primarily don't have a financial reporting impact on TSA. There are approximately twenty non-ICOFR key processes and a few examples include transit benefit subsidy programs, handling of loose change and foreign currency, processing of civil rights claims, and handling of passenger claims by TSA.

#### E-1.1 UPDATE AND ASSESS ICOFR PROCESS NARRATIVES

Update and assess eight (8) to thirteen (13) existing key process narratives per fiscal year to include flow-chart documentation and Control Evaluation Matrices (CEM) for TSA ICOFR key processes as required by OMB Circular A-123, Appendix A and the DHS Financial Accountability Act.

The existing process narratives average 45-75 pages in length, however there is one (1) narrative that is 200 pages in length. TSA guidance will determine schedule and processes to be documented and/or updated.

ICOFR process narratives shall be assessed and updated in accordance with the DHS guidance and shall also meet the following requirements:

- a. Be professionally prepared and include descriptive flow-charts for TSA ICOFR processes, to include sub-processes.
- b. Documentation/updates shall be prepared in accordance with DHS ICOFR Playbook and ICB guidance.
- c. Narratives and flowcharts shall be updated by meeting with stakeholders and incorporating comments/feedback or with more extensive walkthroughs with the stakeholders to reflect/convey changes since original process documentation.
- d. Assessment shall be based on best practices and accepted government accounting standards that if effectively implemented, would positively impact TSA's Annual Financial Statement audit.
- e. The contractor shall meet with management to gain understanding of TSA organizational structure and key mission areas having a material impact on financial reporting.
- f. Review annual, quarterly, and monthly TSA financial statements to gain understanding of key financial statement line items and changing trends which may impact ICOFR planning.
- g. Review existing documentation (e.g. prior year narratives, flow charts, control evaluation matrices, etc.) as specified by DHS ICOFR planning guidance.

- h. For those key processes assessed as being a “high risk”, as generally determined to have a potentially high negative impact on financial reporting, the Contractor shall assist the TSA with the development of a testing process to determine and quantify the specific impact on financial reporting in order to provide qualitative results so that the TSA may implement mitigating controls/corrective actions. (Please refer to the SOW Section titled “ICOFR Testing” for additional details supporting this requirement.)
- i. Present documentation narratives and assessments to the Internal Control Branch (ICB) for review and approval, in order to present the approved narratives at TSA’s Senior Assessment Team (SAT) Meetings in the months of April and May. Also, a PowerPoint presentation shall be prepared that summarizes the results. Each meeting with the ICB and SAT shall only address the results (i.e. documentation and assessments) for one (1) process at a time. Additional meetings shall be scheduled for other process results to be addressed separately. The meetings with ICB shall occur one (1) month prior to the scheduled meeting with SAT.
- j. Distribute documentation narratives and assessments to the SAT attendees three (3) business days prior to the scheduled SAT meeting in order for the SAT attendees to review the information in advance of the meeting.
- k. All required/approved SAT documentation narratives and assessments are due to DHS from OFM ICB historically at the end of the month of May.
- l. Attend or call-in (when this option is available) bi-weekly DHS led ICOFR meetings to receive any new information/changes in support of the ICOFR assessment narratives. These meetings typically occur from January through August and last about one (1) hour in duration. These meetings are held in the Washington, D.C. metropolitan area and are accessible by public transportation..
- m. In addition to the bi-weekly DHS led ICOFR meetings, the Contractor shall attend or call-in (when this option is available) to periodic DHS led ICOFR meetings to receive targeted/in-depth information/changes in support of the ICOFR assessment narratives. There are approximately six (6) to eight (8) of these meetings held per fiscal year (FY) and typically occur from December through June and average one (1) hour in duration. These meetings are held in the Washington, D.C. metropolitan area and are accessible by public transportation.

#### E-1.2 DEVELOP AND UPDATE ICOFR AND NON-ICOFR TEST PLANS AND PERFORM TESTING

The Contractor shall develop and/or update Test of Operating Effectiveness’ (TOE) in support of all thirteen (13) key ICOFR and an estimated 15-20 non-ICOFR processes. As a result of the Contractor’s assessment of key processes and those processes identified as a “risk” (i.e. negative impact on financial reporting), which shall be in addition to other processes identified by TSA and DHS, the contractor shall develop approximately 17-25 TOE plans, and update approximately 83-100 TOE plans. One (1) TOE may cover multiple key processes, or be specific to one (1) key area, but multiple TOEs are developed for each of the thirteen (13) key ICOFR processes and approximately 15-20 of the non-ICOFR processes.

The Contractor shall:

- a. Assist ICB with the schedule/priority (i.e. Annual Review Plan) of the TOEs to be developed and/or updated and tested for that FY. The Annual Review Plan also addresses the Statement on Standards for Attestation Engagements (SSAE) #16 Test Plans required (further discussed under SOW Section E-1.6) This approved Annual Review Plan shall be completed by November 15<sup>th</sup> of each year.
- b. Each TOE to be developed and/or updated requires ICB's review and approval prior to implementation. The Contractor shall obtain approval for the TOE in the month prior to when the TOE is scheduled to occur in accordance with the Annual Review Plan.
- c. As a result of the testing conducted in accordance with the developed/approved TOEs, the Contractor shall make recommendations on new controls required for or improving existing key controls identified as either moderately effective or ineffective.
- d. The results shall include an assessment of the key processes tested and the negative impact on any of TSA's financial statements and TSA's reporting requirements.
- e. The Contractor shall continuously keep ICB apprised of testing results, assessments, and recommendations for ICB's concurrence on the continued plan of action.
- f. On a monthly basis, provide summary memos addressed to the OFM Director and to the TSA CFO that summarizes the results of all reviews (ICOFR and non-ICOFR) completed for that month. Format and content of memos to be agreed upon by ICB and contractor.
- g. Present results/assessments of the ICOFR and non-ICOFR TOEs, and recommendations to ICB for review and approval.
- h. Present results/assessment of the ICOFR TOEs and recommendations to ICB, for their review in order to present results/assessments at TSA's Senior Assessment Team (SAT) Meetings. ICB's review and approval is historically required in the month of July.
- i. Present results/assessment of the ICOFR TOEs, and recommendations at TSA's SAT Meetings historically scheduled during the month of August. Also, a PowerPoint presentation shall be prepared by the Contractor that summarizes the results. Each SAT meeting shall only generally address one of the ICOFR processes areas. Additional meetings will be scheduled for other process areas to be addressed separately for potentially up to thirteen SAT meetings.
- j. The results/assessments of the ICOFR TOEs shall be distributed to the SAT members three (3) business days prior to the scheduled SAT meeting in order for the SAT attendees to review the information in advance of the meeting.

### E-1.3 ICOFR AND NON-ICOFR CORRECTIVE ACTION DEVELOPMENT AND MONITORING

As a result of the testing completed in support of ICOFR and non-ICFOR processes, the Contractor shall work with the stakeholders (e.g. TSA Program Office Division Directors, Branch Chiefs, designated program POCs, etc.) of each process tested that resulted in negative findings of controls identified as ineffective to develop a separate Corrective Action Plan for each process. DHS has issued a required format for the development of the Corrective Action Plan (please refer to the Attachment titled "Internal Control Mission Action Plan Guide – FY12" for a copy of the guidance).

The Contractor shall:

- a. Develop a separate Corrective Action Plan for five (5) to seven (7) key ICOFR processes for ICB's approval and ultimately TSA's Administrator approval. After all ICOFR Corrective Action Plans have been approved by the TSA Administrator, ICB forwards to DHS to upload into DHS's Tracking Database for corrective action plans. Drafts of these plans are due to DHS in the month of November and the final is due from TSA in the month of December. The Contractor shall obtain ICB's review and approval of the Corrective Action Plans for the initial drafts due to DHS in November and again for the final plans due to DHS in December.
- b. Meet with the ICOFR Corrective Action Plan stakeholders on a bi-weekly basis to obtain updates on the status of completion for each corrective action.
- c. Develop and provide a monthly status report to ICB on the status of the corrective actions identified in the Corrective Action Plans for non-ICOFR processes, detailing the status of each required corrective action and highlighting those corrective actions that are past due, percentage of actions completed, and any issues that may impact completion of the given corrective action. Submit the Corrective Action Plan Status Tracking Report in excel format by Tuesday of each week following the bi-weekly meetings.
- d. Update the DHS Tracking Database on a bi-weekly status detailing the status of each required corrective action and highlighting those corrective actions that are past due in support of the ICOFR Corrective Action Plans.
- e. Develop a separate Corrective Action Plan for eight (8) to ten (10) non-ICOFR processes for ICB's approval and OFM Director Approval.
- f. Maintain tracking and applicable documentation of all corrective actions to identify and summarize when planned corrective actions have been completed, verified and validated by the Contractor.
- g. Develop and provide a bi-weekly status report to ICB for the corrective actions identified in the Corrective Action Plans for key ICOFR processes, detailing the status of each required corrective action, highlighting those corrective actions that are past due, percentage of actions completed, and any issues that may impact completion of the given corrective action.

#### E-1.4 ICOFR ENTITY LEVEL CONTROLS TESTING

- a. *Internal Control Management and Evaluation Tool Reporting:* The Government Accountability Office has issued an "Internal Control Management and Evaluation Tool". (also referred to as the *GAO tool*) which was developed as a result the guidance provided in *GAO's Standards for Internal Control in the Federal Government* (GAO/AIMD-00-21.3.1, November 1999). DHS has mandated its use amongst all of its components and has historically been due to DHS by the month of June.

As federal managers strive to achieve their agency's missions and goals and provide accountability for their operations, they need to continually assess and evaluate their internal control structure to assure that it is well designed and operated, appropriately updated to meet changing conditions, and provide reasonable assurance that the objectives of the agency are being achieved. Specifically, TSA managers of the approximate 20 TSA Offices (e.g. Human Capital, Acquisition, etc.), are required to examine internal

control to determine how well it is performing, how it may be improved, and the degree to which it helps identify and address major risks for fraud, waste, abuse, and mismanagement. The tool addresses five (5) standards for internal control: control environment, risk assessment, control activities, information and communications, and monitoring.

Following a kick-off meeting scheduled and led by ICB and attended by Contractor Representative(s), this tool (excel format) is distributed to all of TSA's offices and the respective Office point of contact to update the tool, for the Contractor to ultimately consolidate the responses into one document for approval and submission to DHS.

The Contractor shall:

1. Attend the kick-off meeting.
2. Develop and distribute the materials (e.g. meeting notice, a copy of the tool, as well as the previous year's responses) to all required attendees (i.e. Program Office POCs) at the kick-off meeting. The binders and/or folders and other materials necessary to prepare this package shall be provided by the TSA for the Contractor's use.
3. Collect and consolidate the responses into one document for approval and submission to DHS by ICB, three (3) months in advance of the due date to DHS, approximately in March. The due date to DHS has historically been around the end of the month of May.
4. Ensure the final submission to DHS is complete, accurate, and free of errors.

b. *Consolidated Risk Assessment Report:*

TSA is required to update the Office of Management and Budget Circular A-123 review of entity level controls and complete the Government Accountability Office self assessment tool for entity level controls. As part of this update, a risk assessment is conducted throughout the TSA organization in order to appropriately identify, measure, and prioritize risks for their possible effect on achieving programs' missions, objectives, or goals. It also ensures that proper internal controls are in place to manage identified risks.

In order to meet this requirement, each TSA office (e.g. Human Capital, Acquisitions, etc.) completes a risk assessment. The assessment reflects the perception, understanding, and opinion of the evaluator (ideally someone with a solid working knowledge of the program/function) and, when performed objectively, is a strong indicator of risk.

Within one (1) month beginning the completion of the *GAO Tool*, each TSA Office is required to complete the Risk Assessment tool.

Following a kick-off meeting scheduled and led by ICB and attended by Contractor Representative(s), this survey (excel format) is distributed to all of TSA's offices and the respective Office point of contact to update

the survey, for the Contractor to ultimately consolidate the responses into one document for approval and submission to DHS in the month of June.

The Contractor shall:

1. Attend the kick-off meeting.
2. Develop and distribute the materials (e.g. a copy of the meeting notice, risk assessment survey, as well as the previous year's responses) to all required attendees (i.e. Program Office POCs) at the kick-off meeting. The binders and/or folders and other materials necessary to prepare this package shall be provided by the TSA for the Contractor's use.
3. Collect and consolidate the responses into one document for approval and submission to DHS by ICB, three (3) months in advance of the due date (i.e. June) to DHS.
4. Ensure the final submission to DHS is complete, accurate, and free of errors.

c. Annual Survey of OFM Management and Supporting Personnel:

An Annual Survey is issued in the late winter/early spring to receive feedback from OFM Management and Employees on their perception of internal controls within OFM.

The Contractor shall:

1. Update the previous year's survey for use in the given FY for ICB's review and approval. The survey generally consists of Yes/No responses (approximately 90) with some narrative responses (less than 10 questions).
2. Schedule meetings with OFM's Managers to conduct the survey in person. There are approximately 13 Managers in OFM.
3. Hand deliver the survey to the approximate 100 employees in OFM, all of whom are located on-site at TSA Headquarters.
4. Develop an e-mail to be sent by TSA OFM to the OFM Managers and Employees regarding the purpose of the survey, general instructions, etc.
5. Collect the surveys and compile the results to quantify and summarize the results to show such items as response rate, answers, and some narrative responses to capture and further explain statistical results.
6. Present survey results to ICB.

#### E-1.5 ICOFR SENIOR ASSESSMENT TEAM (SAT) MEETINGS

In support of the SAT Meetings to be scheduled for those requirements (e.g. ICOFR assessments, TOEs, etc.) earlier described herein, the Contractor shall:

- a. Schedule meetings utilizing Microsoft Outlook.
- b. Develop respective meeting agenda, which normally does not exceed one (1) page in length and contains bulleted information.

- c. Disseminate meeting materials as part of the meeting notice and hand deliver hard copies at least three (3) business days prior to the meeting to all required attendees (approximately 20), all of whom are located at TSA HQ.;
- d. Capture, document, and distribute meeting minutes to ICB and OFM Director by e-mail.
- e. Maintain SAT files on the Share Drive (i.e. S Drive) and one (1) final hard copy. SAT files include final approved copies of the documents to be approved by SAT, such as ICOFR Narratives, ICOFR Assessments, TOEs, TOE results and recommendations, etc.). The SAT files on the S Drive and the hard copy shall be organized in clear logical manner, with easily identifiable labels and titles. The hard copies shall be maintained in binders.

**E-1.6 STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS (SSAE) #16, REPORTING ON CONTROLS AT A SERVICE ORGANIZATION**

The Contractor shall assess the adequacy of controls in place at TSA's service providers that have an impact on financial reporting in accordance with DHS ICOFR Playbook, ICB guidance, and the Internal Control Branch Annual Review Plan.

For service providers that have an independent auditor, perform audits in accordance with SSAE #16 and review results to determine whether any issues may impact TSA each FY. Currently, the TSA only has one (1) service provider that has an independent auditor in accordance with SSAE#16, and does not anticipate any additional service providers having one in place during the performance of this Task Order.

Currently, the TSA has three (3) service providers (i.e. US Coast Guard, FedTraveler, and Lockheed Martin Integrated Systems) that do not have an independent auditor in place to perform the SSAE #16 review.

- *US Coast Guard Finance Center* – FY Quarterly reviews/audit are performed and travel is required to Chesapeake, VA for upwards of five (5) business days per quarterly review/audit.
- *FedTraveler* – FY Semi-Annual reviews/audits are in place with the goal for them to be quarterly in FY 13 and only require local travel.
- *Lockheed Martin Integrated Systems* – In support of TSA's HRAccess Contract, FY Quarterly reviews/audits are performed and only require local travel.

For service providers in which an independent SSAE #16 is performed by an independent auditor, the Contractor shall:

- a. Review the independent audit report submitted by the vendor to TSA in order to identify any potential issues that may impact TSA.
- b. Summarize the results of the review to be reported to ICB.

For service providers in which an independent SSAE #16 is currently not performed, the Contractor shall:

- c. Determine areas of controls that should be tested, develop and or update test plans. Test plans have been developed in support of the Coast Guard and only require updates. In support of HRAccess some plans have been developed and only require updates, and approximately seven (7) to ten (10)

- need to be newly developed. In support of FedTraveler, all seven (7) test plans need to be developed.
- d. As discussed under SOW Section E-1.2, the Contractor shall assist ICB with the schedule/priority (i.e. Annual Review Plan) of the Test Plans to be developed and/or updated and tested for that FY. The Annual Review Plan also addresses the TOEs required for ICOFR and non-ICOFR processes (further discussed under SOW Section E-1.2) This approved Annual Review Plan shall be completed by November 15<sup>th</sup> each year.
  - e. Obtain ICB's written approval of the developed Test Plans prior to performing the testing of controls.
  - f. Perform testing of controls.
  - g. Assess the impact of any issues on TSA.
  - h. Continue to keep ICB apprised of testing results, assessments, and recommendations for ICB's concurrence on the continued plan of action (i.e. Test Plan).
  - i. Modify Test plans prior to the start of the next review.
  - j. Develop and submit reports to ICB that summarizes the results of each review, which is approximately 12 individual reports (3 vendors X quarterly reviews).

#### E-2.0 IMPROPER PAYMENTS ELIMINATION & RECOVERY ACT (IPERA)

The Improper Payments Elimination and Recovery Act of 2010 (IPERA) amended the Improper Payments Information Act (IPIA) of 2002. The main objective of IPERA is to require agencies to increase their diligence in reducing improper payments. An improper payment is any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. DHS requires its components to test disbursements related to the American Recovery and Reinvestment Act (ARRA) in addition to any other agency programs identified as High Risk.

The Contractor shall:

- a. Assist ICB in performing an annual risk assessment and analysis, in accordance with DHS guidance, of all disbursements made by all TSA programs (disbursements include, payment to contractors for goods and services, travel, purchase card, payroll). DHS guidance (i.e. Attachment *Improper Payments Reduction Guidebook*) provides the template to be followed when performing the annual risk assessment and analysis and the report to be developed. The Contractor is responsible for completing this report and submitting a final copy for approval to ICB two (2) weeks prior to the final submission deadline to DHS. The final report is due to DHS in the second quarter of the given FY, historically in the month of February.
- b. Assist ICB in identifying high risk programs, in accordance with DHS prescribed requirements that will be selected for testing. Historically, TSA has identified one (1) high risk program per risk assessment.

Following *DHS' approval of TSA's risk assessment* and analysis, the Contractor shall:

- c. Develop (if a new high risk program is identified) or update a test plan (if a existing high risk program has been re-identified) that details the steps to be performed in testing of the program's disbursements. This test plan requires ICB's review and approval prior to implementation.
- d. Assist ICB in performing sample testing (statistical sample for testing is currently provided by DHS) of selected disbursement transactions to assess the validity and accuracy of payment. Sample testing is performed on *the High Risk program and ARRA related disbursements*. In support of the High Risk program, historically sample testing has averaged 300 disbursements and for the ARRA related disbursements, sample testing has averaged 250 disbursements.
- e. Assist ICB in summarizing and reporting the results of the disbursement transaction testing. The Contractor shall submit the final report (excel format) to ICB in April of the given fiscal year for review and approval. The final report is historically due to DHS, in the month of May of the given FY.
- f. If the results of the sample testing results in a high percentage of overpayments, as defined by DHS, then the Contractor shall assist ICB in the development of any Corrective Action Plans, with the goal of reducing the level of improper payment. Historically the TSA has not had to develop any Corrective Action Plans in support of IPERA.

### E-3.0 MANAGEMENT CONTROL PROGRAM

To meet the Federal Managers' Financial Integrity Act (FMFIA) requirements, TSA must establish, evaluate, and report on management controls, and submit an annual "Statement of Assurance" to the President and the Congress. Specific responsibilities for the ICB associated with the TSA Management Control Program includes: 1) providing technical advice, training and program direction to the TSA Management Control Program; 2) providing guidance to program assessable unit managers in performing management control reviews; 3) soliciting input from TSA activities to prepare the annual Statement of Assurance for submission to DHS; 4) serving as the TSA lead for consolidating data and reporting the status of corrective actions associated with financial audits or other financial management reviews; and 5) reporting the annual Statement of Assurance and TSA Management Control Plan to the OFA/CFO.

The Contractor shall:

1. Management Control Objective Plan (MCOP) I-Share site Support: On an on-going basis, support the management of documents on the Management Control Objective Plan (MCOP) I-Share site which includes: keeping inventory of what documents are on the site and should either be added, updated, or removed. The MCOP supports all 450+ federalized airports and HQ Offices. Each airport and HQ Office has their own section on this site. In support of Management Control, each airport/HQ Office is responsible for completing and uploading various Management Control Checklists as directed by ICB. In support of this task, the Contractor shall regularly check to see which checklists have been completed and need to be completed. The Contractor shall document their findings and provide a monthly status report by the 10<sup>th</sup> of each month for the previous month's findings, to ICB.

2. Management Control Objective Plan Support: Management Control Objective Plans (MCOPs) address an office's plan for assessments of controls currently in place over its operational processes and are due to ICB in the month of October. The Contractor shall consolidate each TSA HQ office's Management Control Objective Plans (MCOPs) into a TSA-wide MCOP plan for ICB's initial review and approval, and ultimately TSA's senior leadership approval at one (1) of the quarterly Management Control Council Meetings. The TSA-wide MCOP is due to ICB in the month of November. ICB is responsible for presenting the TSA-wide MCOP plan at the Management Control Council Meeting.

The size of the MCOP depends on the Office and number of operational processes that require testing. For example, the Office of Financial Management's MCOP is approximately 30 pages, whereas the Federal Air Marshal Service (FAMS) is about 100 pages, with the majority of the offices averaging 25 pages. Historically, the TSA-wide MCOP, results in an average of 250 pages. The Contractor is not responsible for evaluating the information of each MCOP, but to perform an accuracy check on the information submitted (e.g. spelling, grammar, relevancy of information provided), and formatting to merge all MCOPs into one (1) TSA-wide MCOP.

3. Statement of Assurance Findings Report: A Statement of Assurance is each HQ office's and each federalized HUB airport's (approximately 125) report on the results of their testing of controls for the current FY and is due to ICB generally in the month of August. The Contractor shall review each submitted Statement of Assurance and summarize each statement's findings into a consolidated document (excel format) in order for ICB to understand the findings as a whole and ultimately for ICB to develop the TSA-wide Statement of Assurance for TSA's senior leadership approval at one (1) of the quarterly Management Control Council Meetings. The Contractor shall submit the Statement of Assurance Findings Report (excel report) to ICB by the end of August. ICB is responsible for presenting the TSA-wide MCOP plan at the Management Control Council Meeting.
4. Management Control Council Meetings Support: Provide administrative support to ICB in conducting quarterly Management Control Council Meetings at TSA Headquarters involving TSA senior managers across the agency to include, preparation and distribution of the binders to the council members; assisting ICB in room set up and presentation as directed by ICB; and serve as recorder of council business, preparing minutes for approval in accordance with ICB guidance. The Contractor shall be responsible for capturing and documenting meeting minutes to be distributed to all attendees. The distribution will be performed by ICB. The minutes are due to ICB for review and approval within two (2) days following each quarterly meeting.

#### E-4.0 PROJECT STATUS REPORTS

The Contractor shall designate the Program Manager as the single point of contact for performance of this requirement and submit bi-weekly status reports on the Contractor's performance of the Task Order's requirements. The Program Manager shall work for the prime contractor. The bi-weekly report shall address the following:

- a. A synopsis of task activities completed and/or worked on during the past reporting period documenting “As Required” support provided. This shall include status of deliverables and whether or not contract deliverables are on schedule for completion in accordance with contract requirements.
- b. Planned task activities scheduled for the following period.
- c. An identification of all issues/problems and recommended solutions.
- d. Meetings attended.

#### E-5.0 STATUS MEETINGS

The Contractor shall participate in the following status meetings.

- a. ICB’s Weekly Staff Meeting.
- b. At least quarterly, or as needed, meet with COTR to discuss status of issues and concerns related to contractor performance.

### F. DELIVERABLES

#### F-1.0 INSTRUCTIONS FOR DELIVERABLES

Unless otherwise specified, TSA requires delivery of one (1) electronic copy and one (1) hard copy of each deliverable. Electronic copies shall be delivered via e-mail attachment or other media by mutual agreement of the parties to (b)(6) Internal Control Branch, Office of Financial Management, TSA Headquarters, W12-123S, TSA-14, 601 South 12<sup>th</sup> Street, Arlington, VA 22303-4204. The electronic copy shall be in the appropriate Microsoft Office 2007 application or as mutually agreed to by the parties. The Contractor shall deliver products in accordance with the requirements of this SOW as detailed below and indicated in the Delivery Schedule Table. Additionally, all documentation and support will be maintained on TSA’s systems, including iShare and the shared drives.

For those Draft and Final Due Dates listed below that are not identified for specifically (e.g. December 1<sup>st</sup>), the exact due date will be identified by the COTR and provided to the Contractor once known. For those Draft and Final Due Dates listed below that are specifically identified for, if the identified date falls on a Saturday or Sunday, the Contractor shall submit that specific deliverable on the business day prior (e.g. Friday).

F-2.0 SCHEDULE OF DELIVERABLES

#	Deliverable	SOW Section Reference	Draft Due Date	Final Due Date	Recipient/Approvers	No. of Days to Approve
1	Update & Assess between eight (8) to thirteen (13) existing key process narratives. (Draft copies due to ICB)	E-1.1	30 days to ICB prior to scheduled SAT Meeting(s)	Two (2) weeks to ICB prior to scheduled SAT Meeting(s)	ICB ICOFR Lead and Assistant Director	5 days
2	Update & Assess between eight (8) to thirteen (13) existing key process narratives. (Final copies due to SAT)	E-1.1	N/A	April and May (5 days prior to meeting(s) are scheduled	ICB ICOFR Lead, Assistant Director and SAT Members	2 days prior to meeting
3	PowerPoint Presentation that summarizes the results of the process narratives and assessments to be presented to SAT.	E-1.1 and E-1.1i	Two (2) weeks to ICB prior to scheduled SAT Meeting(s)	One (1) week to ICB prior to scheduled SAT Meeting(s)	ICB ICOFR Lead and Assistant Director	3 days
4	Annual Review Plan for ICOFR and non-ICOFR Test Plans	E-1.1a and E-1.6d	One (1) week prior to Final Due Date	November 15 <sup>th</sup>	ICB Annual Review Plan Lead and Assistant Director	3 days
5	Update approximately 83-100 ICOFR and non-ICOFR TOE Plans.	E-1.2	20 <sup>th</sup> of the Month, prior to when the review is scheduled. If a review is scheduled in January, then the TOE is due to ICB on the 20 <sup>th</sup> of December.	Five (5) days following the Draft Due Date.	ICB Annual Review Plan Lead and Assistant Director	3 days
6	TOE testing and assessment Summary Memos (Draft to ICB)	E-1.2	10 <sup>th</sup> of the Month for results of the prior month.	13 <sup>th</sup> of the Month	ICB Annual Review Plan Lead and Assistant Director	2 days
7	TOE testing and assessment Summary Memos (Final)	E-1.2	N/A	15 <sup>th</sup> of the Month	ICB Annual Review Plan Lead and Assistant Director, OFM Director, and TSA CFO	1 day
8	Results/Assessments of the TOES (ICOFR and non-	E-1.2	30 <sup>th</sup> of the Month, of when the TOE was conducted.	5 <sup>th</sup> Day of the following	ICB Annual Review Plan Lead and Assistant Director	3 days

	ICOFR) to ICB.			Month.		
9	Results/Assessments of the TOES as they relate to the given ICOFR process, to be presented to SAT (Draft to ICB)	E-1.2	July 15th	July 30 <sup>th</sup>	ICB ICOFR Lead and Assistant Director	5 days
10	Results/Assessments of the TOES as they result to the given ICOFR process, to be presented to SAT	E-1.2	N/A	Five (5) days prior to scheduled SAT Meeting(s).	ICB ICOFR Lead, Assistant Director and SAT Members	2 days prior to meeting
11	PowerPoint Presentation that summarizes the results/assessments of the TOEs to be presented to SAT.	E-1.2	Two (2) weeks to ICB prior to scheduled SAT Meeting(s)	One (1) week to ICB prior to scheduled SAT Meeting(s)	ICB ICOFR Lead and Assistant Director	3 days
12	Corrective Action Plans for five (5) to seven (7) key ICOFR processes. (Drafts Due to DHS In November)	E-1.3	November 15 <sup>th</sup>	November 20 <sup>th</sup>	ICB ICOFR Lead and Assistant Director	5 days
13	Corrective Action Plans for five (5) to seven (7) key ICOFR processes. (Final Due to DHS In December)	E-1.3	December 15th	December 20 <sup>th</sup>	ICB ICOFR Lead and Assistant Director	5 days
14	Corrective Action Plans for eight (8) to ten (10) key non-ICOFR processes.	E-1.3	Three (3) weeks following the review/assessment of a non-ICOFR process that requires the development of a Corrective Action Plan.	One (1) week following the Draft Due Date.	ICB Annual Review Plan Lead and Assistant Director	5 days
15	Bi-weekly Corrective Action Plan Status Tracking for ICOFR processes.	E-1.3	N/A	Tuesday immediately following each bi-weekly status meeting.	ICB ICOFR Lead and Assistant Director .	1 day
16	Monthly Corrective Action Plan Status Tracking for non-	E-1.3	N/A	10 <sup>th</sup> of the Month	ICB Annual Review Plan Lead and Assistant Director	1 day

	ICOFR processes.					
17	Develop materials for ICOFR Entity Levels Control Testing Kick-Off Meeting	E-1.4a	Two (2) weeks prior to kick-off meeting	One (1) week prior to kick-off meeting	ICB ICOFR Lead and Assistant Director	5 days
18	Consolidate <i>GAO Tool</i> responses	E-1.4a	February 15 <sup>th</sup>	March 1 <sup>st</sup>	ICB ICOFR Lead and Assistant Director	5 days
19	Develop materials for Consolidated Risk Assessment Kick-Off Meeting.	E-1.4b	Two (2) weeks prior to kick-off meeting	One (1) week prior to kick-off meeting	ICB ICOFR Lead and Assistant Director	5 days
20	Consolidate <i>Risk Assessment</i> responses	E-1.4b	February 15 <sup>th</sup>	March 1 <sup>st</sup>	ICB ICOFR Lead and Assistant Director	5 days
21	Update Annual Survey of OFM Management and Supporting Personnel	E-1.4c	February 5 <sup>th</sup>	February 15 <sup>th</sup>	ICB ICOFR Lead and Assistant Director	5 days
22	Collect, Compile, and present Survey Results to ICB	E-1.4c	March 30 <sup>th</sup>	April 7 <sup>th</sup>	ICB ICOFR Lead and Assistant Director	5 days
23	Develop SAT Meeting Minutes	E-1.5	One (1) day following SAT Meeting to COTR only for review and approval.	Two (2) days following SAT Meeting.	ICB ICOFR Lead and Assistant Director and OFM Director	3 days
24	Summarize the results of the review of the SSAE#16 Report	E-1.6	One (1) week following receipt of the independent SSAE#16 report.	Two (2) days following the draft due date.	ICB Annual Review Plan Lead and Assistant Director	5 days
25	Develop SSAE#16 Test Plans for Cost Guard, HRAccess, and FedTraveler.	E-1.6c and E-1.6d	20 <sup>th</sup> of the Month, prior to when the review is scheduled in accordance with the Annual Review Plan. If a review is scheduled in January, then the SSAE#16 Test Plan is due to ICB on the 20 <sup>th</sup> of December.	Five (5) days following the Draft Due Date.	ICB Annual Review Plan Lead and Assistant Director	5 days
26	Develop and submit SSAE#16 Summary	E-1.6	Two (2) weeks following	One (1) week	ICB Annual Review Plan Lead and	5 days

	Results Report to ICB. (12 individual Reports [3 vendors X quarterly reviews]).		completion of field work.	following the draft due date.	Assistant Director	
27	IPERA Annual Risk Assessment and Analysis Report	E-1.7	January 20 <sup>th</sup>	January 30 <sup>th</sup>	ICB IPERA Lead and Assistant Director	5 days
28	Develop and/or Update IPERA Test Plans	E-2.0c	February 20 <sup>th</sup>	February 28 <sup>th</sup>	ICB IPERA Lead and Assistant Director	5 days
29	Summary Report on Results of IPERA Sample Transaction Testing	E-2.0c	April 20 <sup>th</sup>	April 30 <sup>th</sup>	ICB IPERA Lead and Assistant Director	5 days
30	Corrective Action Plan in support of IPERA	E-2.0f	TBD	TBD	ICB IPERA Lead and Assistant Director	5 days
31	Monthly Status Report on MCOP i-Share site Report	E-3.0a	N/A	10 <sup>th</sup> of the Month.	ICB MCOP Lead and Assistant Director	3 days
32	TSA-wide MCOP Plan	E-3.0b	October 31 <sup>st</sup>	November 10 <sup>th</sup>	ICB MCOP Lead and Assistant Director	5 days
33	Consolidated Statement of Assurance Findings Report	E-3.0c	August 15 <sup>th</sup>	August 25 <sup>th</sup>	ICB MCOP Lead and Assistant Director	5 days
34	Management Control Council Meeting Minutes	E-3.0d	One (1) day following the scheduled quarterly meetings.	One (1) day following the draft due date.	ICB MCOP Lead and Assistant Director	2 days
35	Bi-Weekly Project Status Report	E-4.0	N/A	Bi-weekly	COTR	N/A

**G. APPLICABLE DOCUMENTS**

- 1) Federal Managers' Financial Integrity Act (FMFIA) of 1982
- 2) Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Internal Control*, December 2004
- 3) Government Accountability Office (GAO) GAO/AIMD-00-21.3.1, Standards for Internal Control in the Federal Government, November 1999
- 4) Department of Homeland Security (DHS) Financial Accountability Act, October 2004
- 5) TSA Management Directive 1000.10-1, Management Control Program, August 2011
- 6) TSA Management Directive 1000.10-2, Management Control Council, August 2011
- 7) DHS Internal Control Playbook and Management Assurance Process Guide, FY 2011,
- 8) Improper Payments Elimination and Recovery Act of 2010
- 9) Internal Control Mission Action Plan Guide Fiscal Year 2012
- 10) Improper Payments Reduction Guidebook

## SECTION III. SUPPLEMENTAL CLAUSES

The following clauses are hereby added to the task order. In the event that any of these clauses conflict with the GSA Federal Supply Schedule contract, the Federal Supply Schedule shall take precedence.

### **1.0 SUBMISSION OF INVOICES - COMMERCIAL**

(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 (e) of this clause.

2) U.S. Mail:

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

3) Email Invoices:

[FIN-SMB-TSAInvoices@uscg.mil](mailto:FIN-SMB-TSAInvoices@uscg.mil), or [www.fincen.uscg.mil](http://www.fincen.uscg.mil)

(c) Invoice Process: Upon receipt of contractor invoices, FinCen will electronically route invoices to the appropriate TSA Contracting Officer's Technical 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 a 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>

(c) 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 Technical 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: Invoices shall be submitted on a monthly basis at 1/12 the value of the current period of performance.

(End of Clause)

## **2.0 TRAVEL AND PER DIEM**

*Non-local travel is only required from the task order's place of performance (i.e. Arlington, VA) to the following locations:*

- Chesapeake, VA
- Atlantic City, NJ
- Dallas, TX
- Oklahoma City, OK
- An estimated three (3) Federalized Airport Locations throughout CONUS or OCONUS

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.

(End of clause)

### **3.0 DISCLOSURE OF INFORMATION**

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.

(End of clause)

### **4.0 GOVERNMENT FURNISHED SUPPLIES AND EQUIPMENT**

The TSA will provide the contractor with the necessary work space, computer stations, and materials required to support the services described in the Statement of Work.

### **5.0 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.

(End of clause)

## **6.0 PUBLICITY AND DISSEMINATION OF CONTRACT INFORMATION**

Publicity releases or commercial advertising in connection with or referring to this contract or effort shall not be made by the Contractor unless prior written approval has been received from the Contracting Officer.

The Contractor shall not publish, permit to be published, or distribute for public consumption, any information, oral or written, concerning the results or conclusions made pursuant to the performance of this contract, without the prior written consent of the Contracting Officer. Two copies of any material proposed to be published or distributed shall be submitted to the Contracting Officer.

A minimum of five full business days' notice is required for requests made in accordance with this provision.

(End of clause)

## **7.0 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.

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

(End of clause)

## **8.0 NON-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.

(End of clause)

## **9.0 CONTRACTOR RESPONSIBILITIES**

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

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.

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.

The Contractor shall adhere to the same professional and ethical standards of conduct required of Government personnel. The Contractor shall not:

- Discuss with unauthorized persons any information obtained in the performance of work under this contract.
- Conduct business not directly related to this contract on Government premises.
- Use computer systems and/or other Government facilities for company or personal business other than work related; or
- Recruit on Government premises or otherwise act to disrupt official Government business.

(End of clause)

## **10.0 QUALIFICATIONS OF EMPLOYEES**

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.

(End of clause)

#### **11.0 NON-DISCLOSURE AGREEMENTS**

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.

(End of clause)

#### **12.0 OBSERVANCE OF LEGAL HOLIDAYS AND OTHER ABSENCES**

The Government observes the following holidays:

- New Year's Day
- Martin Luther King Birthday
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Columbus Day
- Veteran's Day
- Thanksgiving Day
- Christmas Day
- Inauguration Day (Washington, DC metropolitan area)

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.

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 Technical 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.

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.

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

(End of clause)

### **13.0 ADVERTISING OF AWARD**

The contractor shall not refer to contract awards in commercial advertising in such a manner as to state or imply that the product or service provided is endorsed or preferred by the Federal Government or is considered by the Government to be superior to other products or services.

(End of clause)

### **14.0 MAJOR BREACH OF SAFETY OR SECURITY**

(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.

(End of Clause)

### **15.0 CONTRACTOR STAFF 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.

(End of Clause)

#### **16.0 EMPLOYEE TERMINATION**

The contractor shall notify the Contracting Officer and the Contracting Officer's Technical 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.

(End of clause)

#### **17.0 STANDARDS OF CONDUCT AND RESTRICTIONS**

The contractor shall adhere to the same professional and ethical standards of conduct required of Government personnel. Personnel performing work under this contract shall not:

- Solicit new business while performing work under the contract;
- Conduct business other than that which is covered by this contract during periods paid by the Government;
- Conduct business not directly related to this contract on Government premises;
- Use Government computer systems or networks, and/or other Government facilities for company or personal business;
- Recruit on Government premises or otherwise act to disrupt official Government business.

(End of Clause)

#### **18.0 ELECTRONIC AND INFORMATION TECHNOLOGY TO ACCOMMODATE USERS WITH DISABILITIES (SECTION 508 OF THE REHABILITATION ACT)**

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.

(End of clause)

#### **19.0 WORKPLACE VIOLENCE PREVENTION**

All Contractor personnel requiring unescorted access to TSA facilities, information systems, or information will be required to complete Workplace Violence Prevention training available through the TSA Online Learning Center. The course, entitled "Preventing Workplace Violence at TSA" shall be completed within 60 days of onboarding.

(End of clause)

## **20.0 NOTIFICATION OF PERSONNEL CHANGES**

The Contractor shall notify the Contracting Officer's Technical Representative (COTR) 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 COTR: full name, social security number, effective date, and reason for change.

(End of clause)

## **21.0 SUBSTITUTION OF KEY PERSONNEL**

The Contractor shall notify the Contracting Officer (CO) and the Contracting Officer's Technical Representative (COTR) 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:

- (a) an explanation of the circumstances necessitating the substitution;
- (b) a complete resume of the proposed substitute; and
- (c) 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 COTR 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.

(End of clause)

## **22.0 CONTROLLED UNCLASSIFIED INFORMATION DATA PRIVACY AND PROTECTION**

The Contractor shall be responsible for the security of: i) all data that is generated by the contractor on behalf of the Government ii) Government data transmitted by the contractor, and iii) Government data otherwise stored or processed by the contractor, regardless of who owns or controls the underlying systems while that data is under the contractor's control. All Government data, including but not limited to Personal Identifiable Information (PII), Sensitive Security Information (SSI), and Sensitive But Unclassified (SBU), and/or Critical Infrastructure Information (CII), shall be protected according to Department of Homeland Security information security policies and mandates.

At the expiration of the contract, the contractor shall return all Government information and IT resources provided to the contractor during the contract.

The contractor must satisfy requirements to work with and safeguard Sensitive Security Information (SSI), and Personally Identifiable Information (PII). All support personnel must understand and rigorously follow all applicable DHS Component Agency's requirements, policies, and procedures for safeguarding SSI and PII. Contractor personnel will be required to complete online training for SSI, Informational Security and Privacy training, if required by the DHS Component Agency

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

The Government will identify IT systems transmitting unclassified/SSI information that will require protection based on a risk assessment as applicable. If encryption is required, the following methods are acceptable for encrypting sensitive information:

- a. Products Advanced Encryption Standard (AES) algorithms that have been validated under FIPS140-2.
- b. National Security Agency (NSA) Type 2 or Type 1 encryption.
- c. Public Key Infrastructure (PKI) (see paragraph 5.5.2.1 of the Department of Homeland Security (DHS) IT Security Program Handbook (DHS Management Directive (MD) 4300A) for Sensitive Systems).

The contractor shall maintain data control according to the applicable DHS Component Agency's security level of the data. Data separation will include the use of discretionary access control methods, VPN encryption methods, data aggregation controls, data tagging, media marking, backup actions, and data disaster planning and recovery. Contractors handling PII must comply with TSA MD 3700.4 if applicable.

Users of Government IT assets shall adhere to all system security requirements to ensure the confidentiality, integrity, availability, and non-repudiation of information under their control. All users accessing Government IT assets are expected to actively apply the practices specified in the TSA Information Technology Security Policy (ITSP) Handbook, Chapter 3, Section 6, Privacy and Acceptable Use, or similar DHS Component Agency's guidance or policy.

The contractor shall comply with the all data disposition requirements stated in the applicable DHS Component Agency's Information Security Policy. For all TSA orders the contractor shall comply with Information Security Policy Handbook Chapter 3, Section 17 Computer Data Storage Disposition, as well as TSA Management Directive 3700.4.

(End of clause)

### **23.0 PERSONNEL ACCESS**

All Contractor personnel requiring unescorted access to TSA facilities, information systems, or information will be subject to the security procedures set forth in this contract.

(End of clause)

### **24.0 CONTRACTING OFFICER (CO)**

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: Isabel Roman-Cogswell

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

EMAIL: (b)(6)

(End of clause)

## **25.0 CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR) AND TECHNICAL MONITORS**

**16.1** The principle role of the COTR 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 COTR 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 COTR on all work orders, tasks, deliverables and actions that require immediate attention relating to the approved scope and obligated funding of the contract action.

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

**TSA COTRs: Will be provided at time of Task Order Award**

NAME:

PHONE NUMBER:

EMAIL:

**25.3** The COTR(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 COTR, will be promptly provided to the Contractor by the Contracting Officer in writing.

**25.4** The responsibilities and limitations of the COTR are as follows:

- The COTR is responsible for the technical aspects of the project and technical liaison with the Contractor. The COTR is also responsible for the final inspection and acceptance of all reports and such other responsibilities as may be specified in the contract.
- The COTR may designate assistant COTR(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 COTR will maintain communications with the Contractor and the Contracting Officer. The COTR must report any observed fraud, waste, or opportunities to improve performance of cost efficiency to the Contracting Officer.
- The COTR 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 COTR 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 COTR. No such changes shall be made without the expressed prior authorization of the Contracting Officer.

- The COTR is not authorized to direct the Contractor on how to perform the work.
- The COTR is not authorized to issue stop-work orders. The COTR 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 COTR is not authorized to discuss new proposed efforts or encourage the Contractor to perform additional efforts on an existing contract or order.

**25.5** The responsibilities and limitations of the TM are as follows:

- Coordinating with the COTR 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 COTR for consideration.
- Informing the COTR if the Contractor is not meeting performance, cost, schedule milestones.
- Performing technical reviews of the Contractor's proposals as directed by the COTR.
- Performing acceptance of the Contractor's deliverables as directed by the COTR.
- 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.

(End of clause)

**26.0 SPECIAL INFORMATION TECHNOLOGY CONTRACT SECURITY REQUIREMENTS**

(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 technical 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 Technical 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 technical 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 Technical Representative (COTR) and IT Security Division shall conduct reviews to ensure that the security requirements in the contract are implemented and enforced.

(End of clause)

**27.0 SECURITY OF SYSTEMS HANDLING PERSONALLY IDENTIFIABLE INFORMATION AND PRIVACY INCIDENT RESPONSE (Nov 2010)**

(a) Definitions.

"Breach" (may be used interchangeably with "Privacy Incident") as used in this clause means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar situation where persons other than authorized users, and for other than authorized purpose, have access or potential access to Personally Identifiable Information, in usable form whether physical or electronic.

“Personally Identifiable Information (PII)” as used in this clause means any information that permits the identity of an individual to be directly or indirectly inferred, including any other information that is linked or linkable to that individual regardless of whether the individual is a citizen of the United States, legal permanent resident, or a visitor to the United States.

Examples of PII include: name, date of birth, mailing address, telephone number, Social Security Number (SSN), email address, zip code, account numbers, certificate/license numbers, vehicle identifiers including license plates, uniform resource locators (URLs), Internet protocol addresses, biometric identifiers (e.g., fingerprints), photographic facial images, or any other unique identifying number or characteristic, and any information where it is reasonably foreseeable that the information will be linked with other information to identify the individual.

“Sensitive Personally Identifiable Information (Sensitive PII)” as used in this clause is a subset of Personally Identifiable Information, which if lost, compromised or disclosed without authorization, could result in substantial harm, embarrassment, inconvenience, or unfairness to an individual. , Complete social security numbers (SSN), alien registration numbers (A-number) and biometric identifiers (such as fingerprint, voiceprint, or iris scan) are considered Sensitive PII even if they are not coupled with additional PII. Additional examples include any groupings of information that contains an individual’s name or other unique identifier plus one or more of the following elements:

- (1) Driver’s license number, passport number, or truncated SSN (such as last 4 digits)
- (2) Date of birth (month, day, and year)
- (3) Citizenship or immigration status
- (4) Financial information such as account numbers or Electronic Funds Transfer Information
- (5) Medical Information
- (6) System authentication information such as mother’s maiden name, account passwords or personal identification numbers (PIN)

Other Personally Identifiable information may be “sensitive” depending on its context, such as a list of employees with less than satisfactory performance ratings or an unlisted home address or phone number. In contrast, a business card or public telephone directory of agency employees contains Personally Identifiable Information but it is not sensitive.

(b) Systems Access. Work to be performed under this contract requires the handling of Sensitive PII. The contractor shall provide the Government access to, and information regarding systems the contractor operates on behalf of the Government under this contract, when requested by the Government, as part of its responsibility to ensure compliance with security requirements, and shall otherwise cooperate with the Government in assuring compliance with such requirements. Government access shall include independent validation testing of controls, system penetration testing by the Government, Federal Information Security Management Act (FISMA) data reviews, and access by agency Inspectors General for its reviews.

(c) Systems Security. In performing its duties related to management, operation, and/or access of systems containing Sensitive PII under this contract, the contractor, its employees and subcontractors shall comply with applicable security requirements described in DHS Sensitive System Publication 4300A or any replacement publication and rules of conduct as described in TSA MD 3700.4

In addition, use of contractor-owned laptops or other media storage devices to process or store PII is prohibited under this contract until the contractor provides, and the

contracting officer in coordination with CISO approves, written certification by the contractor that the following requirements are met:

- (1) Laptops employ encryption using a NIST Federal Information Processing Standard (FIPS) 140-2 or successor approved product;
- (2) The contractor has developed and implemented a process to ensure that security and other applications software are kept current;
- (3) Mobile computing devices utilize anti-viral software and a host-based firewall mechanism;
- (4) When no longer needed, all removable media and laptop hard drives shall be processed (i.e., sanitized, degaussed, or destroyed) in accordance with DHS security requirements.
- (5) The contractor shall maintain an accurate inventory of devices used in the performance of this contract;
- (6) Contractor employee annual training and rules of conduct/behavior shall be developed, conducted/issued, and acknowledged by employees in writing. Training and rules of conduct shall address at minimum:
  - (i) Authorized and official use;
  - (ii) Prohibition against use of personally-owned equipment to process, access, or store Sensitive PII;
  - (iii) Prohibition against access by unauthorized users and unauthorized use by authorized users; and
  - (iv) Protection of Sensitive PII;
- (7) All Sensitive PII obtained under this contract shall be removed from contractor-owned information technology assets upon termination or expiration of contractor work. Removal must be accomplished in accordance with DHS Sensitive System Publication 4300A, which the contracting officer will provide upon request. Certification of data removal will be performed by the contractor's Project Manager and written notification confirming certification will be delivered to the contracting officer within 15 days of termination/expiration of contractor work.

(d) Data Security. Contractor shall limit access to the data covered by this clause to those employees and subcontractors who require the information in order to perform their official duties under this contract. The contractor, contractor employees, and subcontractors must physically secure Sensitive PII when not in use and/or under the control of an authorized individual, and when in transit to prevent unauthorized access or loss. When Sensitive PII is no longer needed or required to be retained under applicable Government records retention policies, it must be destroyed through means that will make the Sensitive PII irretrievable.

The contractor shall only use Sensitive PII obtained under this contract for purposes of the contract, and shall not collect or use such information for any other purpose without the prior written approval of the contracting officer. At expiration or termination of this contract, the contractor shall turn over all Sensitive PII obtained under the contract that is in its possession to the Government.

(e) Breach Response. The contractor agrees that in the event of any actual or suspected breach of Sensitive PII (i.e., loss of control, compromise, unauthorized disclosure, access for an unauthorized purpose, or other unauthorized access, whether physical or electronic), it shall immediately, and in no event later than one hour of discovery, report the breach to the contracting officer, the Contracting Officer's Technical Representative (COTR), and the TSA Director of Privacy Policy & Compliance (TSAprivacy@dhs.gov). The contractor is responsible for positively verifying that notification is received and acknowledged by at least one of the foregoing Government parties.

(f) Personally Identifiable Information Notification Requirement. The contractor has in place procedures and the capability to promptly notify any individual whose Sensitive PII was, or is reasonably believed to have been, breached, as determined appropriate. The method and content of any notification by the contractor shall be coordinated with, and subject to the prior approval of the Government, based upon a risk-based analysis conducted by the Government in accordance with DHS Privacy incident Handling Guidance. Notification shall not proceed unless the Government has determined that: (1) notification is appropriate; and (2) would not impede a law enforcement investigation or jeopardize national security.

Subject to Government analysis of the breach and the terms of its instructions to the contractor regarding any resulting breach notification, a method of notification may include letters to affected individuals sent by first class mail, electronic means, or general public notice, as approved by the Government. At minimum, a notification should include: (1) a brief description of how the breach occurred; (2) a description of the types of personal information involved in the breach; (3) a statement as to whether the information was encrypted or protected by other means; (4) steps an individual may take to protect themselves; (5) what the agency is doing, if anything, to investigate the breach, to mitigate losses, and to protect against any further breaches; and (6) point of contact information identifying who affected individuals may contact for further information.

In the event that a Sensitive PII breach occurs as a result of the violation of a term of this contract by the contractor or its employees, the contractor shall, as directed by the contracting officer and at no cost to the Government, take timely action to correct or mitigate the violation, which may include providing notification and/or other identity protection services to affected individuals for a period not to exceed 12 months from discovery of the breach. Should the Government elect to provide and/or procure notification or identity protection services in response to a breach, the contractor will be responsible for reimbursing the Government for those expenses.

(g) Pass-Through of Security Requirements to Subcontractors. The contractor agrees to incorporate the substance of this clause, its terms and requirements, in all subcontracts under this contract, and to require written subcontractor acknowledgement of same. Violation by a subcontractor of any provision set forth in this clause will be attributed to the contractor.

(End of clause)

## **28.0 PERFORMANCE/DELIVERY PERIOD**

The base Period of Performance (POP) for the functions described herein is 6-months, with one 6-month option period, and four 12-month option periods, for a total POP of five (5) years.

The TSA will not receive the full benefit of the services to be provided under the subject contract until all contractor personnel are vetted. It is anticipated that the vetting of contractor personnel will take approximately eight (8) weeks. The effective date of this award is approximately eight (8) weeks from the date the contract is awarded. Should the vetting process take less or more time than the eight (8) weeks identified, the effective date of this contract will be bilaterally modified to note the known date of when the Contractor's personnel meet the suitability determination requirements described herein.

(End of clause)

## **29.0 PLACE OF DELIVERY AND PERFORMANCE**

Contract performance shall take place at:

Transportation Security Administration  
601 S. 12<sup>th</sup> Street, Arlington, VA 22202

(End of clause)

## **30.0 HSAR 3052.204-71 CONTRACTOR EMPLOYEE ACCESS – ALTERNATE I (JUN 2006)**

(a) *Sensitive Information*, as used in this Chapter, means any information, the loss, misuse, disclosure, or unauthorized access to or modification of which could adversely affect the national or homeland security interest, or 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.

(c) 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.

(g) Before receiving access to IT resources under this contract the individual must receive a security briefing, which the Contracting Officer's Technical Representative (COTR) will arrange, and complete any nondisclosure agreement furnished by DHS.

(h) The contractor shall have access only to those areas of DHS information technology resources explicitly stated in this contract or approved by the COTR in writing as necessary for performance of the work under this contract. Any attempts by contractor personnel to gain access to any information technology resources not expressly authorized by the statement of work, other terms and conditions in this contract, or as approved in writing by the COTR, is strictly prohibited. In the event of violation of this provision, DHS will take appropriate actions with regard to the contract and the individual(s) involved.

(i) Contractor access to DHS networks from a remote location is a temporary privilege for mutual convenience while the contractor performs business for the DHS Component. It is not a right, a guarantee of access, a condition of the contract, or Government Furnished Equipment (GFE).

(j) Contractor access will be terminated for unauthorized use. The contractor agrees to hold and save DHS harmless from any unauthorized use and agrees not to request additional time or money under the contract for any delays resulting from unauthorized use or access.

(k) Non-U.S. citizens shall not be authorized to access or assist in the development, operation, management or maintenance of Department IT systems under the contract, unless a waiver has been granted by the Head of the Component or designee, with the concurrence of both the Department's Chief Security Officer (CSO) and the Chief Information Officer (CIO) or their designees. Within DHS Headquarters, the waiver may be granted only with the approval of both the CSO and the CIO or their designees. In order for a waiver to be granted:

- (1) The individual must be a legal permanent resident of the U. S. or a citizen of Ireland, Israel, the Republic of the Philippines, or any nation on the Allied Nations List maintained by the Department of State;
- (2) There must be a compelling reason for using this individual as opposed to a U. S. citizen; and
- (3) The waiver must be in the best interest of the Government.
- (4) Contractors shall identify in their proposals the names and citizenship of all non-U.S. citizens proposed to work under the contract. Any additions or deletions of non-U.S. citizens after contract award shall also be reported to the contracting officer.

(End of clause)

**31.0 HSAR 3052.209-72 ORGANIZATIONAL CONFLICT OF INTEREST (JUN 2006)**

(a) Determination. The Government has determined that this effort may result in an actual or potential conflict of interest, or may provide one or more offerors with the potential to attain an unfair competitive advantage. The nature of this conflict includes advance knowledge of any projected or actual procurement sensitive information that your company may bid or respond to, and includes access to FPD, CIMS, MARKVIEW, CAS, and SUNFLOWER.

(b) If any such conflict of interest is found to exist, the Contracting Officer may (1) disqualify the offeror, or (2) determine that it is otherwise in the best interest of the United States to contract with the offeror and include the appropriate provisions to avoid, neutralize, mitigate, or waive such conflict in the contract awarded. After discussion with the offeror, the Contracting Officer may determine that the actual conflict cannot be avoided, neutralized, mitigated or otherwise resolved to the satisfaction of the Government, and the offeror may be found ineligible for award.

(c) Disclosure: The offeror hereby represents, to the best of its knowledge that:

\_\_\_ (1) It is not aware of any facts which create any actual or potential organizational conflicts of interest relating to the award of this contract, or \_\_\_ (2) It has included information in its proposal, providing all current information bearing on the existence of any actual or potential organizational conflicts of interest, and has included a mitigation plan in accordance with paragraph (d) of this provision.

(d) Mitigation. If an offeror with a potential or actual conflict of interest or unfair competitive advantage believes the conflict can be avoided, neutralized, or mitigated, the offeror shall submit a mitigation plan to the Government for review. Award of a contract where an actual or potential conflict of interest exists shall not occur before Government approval of the mitigation plan. If a mitigation plan is approved, the restrictions of this provision do not apply to the extent defined in the mitigation plan.

(e) Other Relevant Information: In addition to the mitigation plan, the Contracting Officer may require further relevant information from the offeror. The Contracting Officer will use all information submitted by the offeror, and any other relevant information known to DHS, to determine whether an award to the offeror may take place, and whether the mitigation plan adequately neutralizes or mitigates the conflict.

(f) Corporation Change. The successful offeror shall inform the Contracting Officer within thirty (30) calendar days of the effective date of any corporate mergers, acquisitions, and/or divestures that may affect this provision.

(g) Flow-down. The contractor shall insert the substance of this clause in each first tier subcontract that exceeds the simplified acquisition threshold.

(End of provision)

**32.0 HSAR 3052.209-73 LIMITATION OF FUTURE CONTRACTING (JUN 2006)**

(a) The Contracting Officer has determined that this acquisition may give rise to a potential organizational conflict of interest. Accordingly, the attention of prospective offerors is invited to FAR Subpart 9.5 -- Organizational Conflicts of Interest.

(b) The nature of this conflict includes advance knowledge of any projected or actual procurement sensitive information that your company may bid or respond to, and includes access to FPD, CIMS, MARKVIEW, CAS, and SUNFLOWER.

(c) The restrictions upon future contracting are as follows:

(1) If the Contractor, under the terms of this contract, or through the performance of tasks pursuant to this contract, is required to develop specifications or statements of work that are to be incorporated into a solicitation, the Contractor shall be ineligible to perform the work described in that solicitation as a prime or first-tier subcontractor under an ensuing DHS contract. This restriction shall remain in effect for a reasonable time, as agreed to by the Contracting Officer and the Contractor, sufficient to avoid unfair competitive advantage or potential bias (this time shall in no case be less than the duration of the initial production contract). DHS shall not unilaterally require the Contractor to prepare such specifications or statements of work under this contract.

(2) To the extent that the work under this contract requires access to proprietary, business confidential, or financial data of other companies, and as long as these data remain proprietary or confidential, the Contractor shall protect these data from unauthorized use and disclosure and agrees not to use them to compete with those other companies.

(End of clause)

**33.0 HSAR 3052.215-70 KEY PERSONNEL OR FACILITIES (DEC 2003)**

(a) The personnel or facilities specified below are considered essential to the work being performed under this contract and may, with the consent of the contracting parties, be changed from time to time during the course of the contract by adding or deleting personnel or facilities, as appropriate.

(b) Before removing or replacing any of the specified individuals or facilities, the Contractor shall notify the Contracting Officer, in writing, before the change becomes effective. The Contractor shall submit sufficient information to support the proposed action and to enable the Contracting Officer to evaluate the potential impact of the change on this contract. The Contractor shall not remove or replace personnel or facilities until the Contracting Officer approves the change.

The Key Personnel or Facilities under this Contract:

TO BE IDENTIFIED BY VENDORS

(End of clause)

**34.0 52.204-1 APPROVAL OF CONTRACT (Dec 1989)**

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

(End of clause)

**35.0 52.217-8 OPTION TO EXTEND SERVICES (Nov 1999)**

The Government may require continued performance of any services within the limits and at the rates specified in the contract. These rates may be adjusted only as a result of revisions to prevailing labor rates provided by the Secretary of Labor. The option provision may be exercised more than once, but the total extension of performance hereunder shall not exceed 6 months. The Contracting Officer may exercise the option by written notice to the Contractor within 30 days.

(End of clause)

**36.0 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 30 days; provided that the Government gives the Contractor a 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 exercises this option, the extended contract shall be considered to include this option clause.

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed 5 years.

(End of clause)

### **37.0 52.219-6 NOTICE OF TOTAL SMALL BUSINESS SET-ASIDE (Nov 2011)**

(a) *Definition.* "Small business concern," as used in this clause, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the size standards in this solicitation.

(b) *Applicability.* This clause applies only to--

- (1) Contracts that have been totally set aside or reserved for small business concerns; and
- (2) Orders set aside for small business concerns under multiple-award contracts as described in 8.405-5 and 16.505(b)(2)(i)(F).

(c) *General.*

- (1) Offers are solicited only from small business concerns. Offers received from concerns that are not small business concerns shall be considered nonresponsive and will be rejected.
- (2) Any award resulting from this solicitation will be made to a small business concern.

(d) *Agreement.* A small business concern submitting an offer in its own name shall furnish, in performing the contract, only end items manufactured or produced by small business concerns in the United States or its outlying areas. If this procurement is processed under simplified acquisition procedures and the total amount of this contract does not exceed \$25,000, a small business concern may furnish the product of any domestic firm. This paragraph does not apply to construction or service contracts.

(End of provision)

### **39.0 52.219-14 – LIMITATION ON SUBCONTRACTING (Nov 2011)**

(a) This clause does not apply to the unrestricted portion of a partial set-aside.

(b) *Applicability.* This clause applies only to--

- (1) Contracts that have been set aside or reserved for small business concerns or 8(a) concerns;
- (2) Part or parts of a multiple-award contract that have been set aside for small business concerns or 8(a) concerns; and
- (3) Orders set aside for small business or 8(a) concerns under multiple-award contracts as described in 8.405-5 and 16.505(b)(2)(i)(F).

(c) By submission of an offer and execution of a contract, the Offeror/Contractor agrees that in performance of the contract in the case of a contract for --

- (1) *Services (except construction).* At least 50 percent of the cost of contract performance incurred for personnel shall be expended for employees of the concern.
- (2) *Supplies (other than procurement from a nonmanufacturer of such supplies).* The concern shall perform work for at least 50 percent of the cost of manufacturing the supplies, not including the cost of materials.
- (3) *General construction.* The concern will perform at least 15 percent of the cost of the contract, not including the cost of materials, with its own employees.

(4) *Construction by special trade contractors.* The concern will perform at least 25 percent of the cost of the contract, not including the cost of materials, with its own employees.

(End of Clause)

**40.0 52.233-2 SERVICE OF PROTEST (SEP 2006)**

(a) Protests, as defined in section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the Government Accountability Office (GAO), shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgment of receipt from:

Transportation Security Administration  
Office of Acquisition TSA-25  
Attn: Isabel Roman-Cogswell  
601 South 12th Street  
Arlington, VA 20598-6025

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

(End of Provision)

## SECTION IV. ATTACHMENTS

No.	Attachment Title
<b>A</b>	DHS Form 11000-6, <i>Sensitive But Unclassified Information Non-Disclosure Agreement (NDA)</i>
<b>B</b>	Federal Managers' Financial Integrity Act (FMFIA) of 1982
<b>C</b>	DHS Internal Control over Financial Reporting Playbook and Planning Guidance for FY11 ( <i>FY 12 copy not available yet from DHS – not likely to be significant changes</i> )
<b>D</b>	TSA Management Directive 1000.10-1, Management Control Program, August 2011
<b>E</b>	TSA Management Directive 1000.10-2, Management Control Council, August 2011
<b>F</b>	Internal Control Map Guide Fiscal Year 2012
<b>G</b>	Improper Payments Reduction Guidebook

**The following documents are not attached, but the applicable web address of their location is identified for.**

No.	Attachment Title & Web Address
<b>H</b>	Office of Management and Budget (OMB) Circular A-123, <i>Management's Responsibility for Internal Control</i> , December 2004  <a href="http://www.whitehouse.gov/sites/default/files/omb/circulars/a123/a123_rev.pdf">http://www.whitehouse.gov/sites/default/files/omb/circulars/a123/a123_rev.pdf</a>
<b>I</b>	Government Accountability Office (GAO) GAO/AIMD-00-21.3.1, Standards for Internal Control in the Federal Government, November 1999  <a href="http://www.gao.gov/products/AIMD-00-21.3.1">http://www.gao.gov/products/AIMD-00-21.3.1</a>
<b>J</b>	Department of Homeland Security (DHS) Financial Accountability Act, October 2004  <a href="http://www.gpo.gov/fdsys/pkg/PLAW-108publ330/pdf/PLAW-108publ330.pdf">http://www.gpo.gov/fdsys/pkg/PLAW-108publ330/pdf/PLAW-108publ330.pdf</a>
<b>K</b>	Improper Payments Elimination and Recovery Act of 2010  <a href="http://www.gpo.gov/fdsys/pkg/BILLS-111s1508enr/pdf/BILLS-111s1508enr.pdf">http://www.gpo.gov/fdsys/pkg/BILLS-111s1508enr/pdf/BILLS-111s1508enr.pdf</a>

**SECTION V. INSTRUCTIONS TO PREPARE QUOTE & EVALUATION FACTORS**

**A. SOURCE SELECTION FACTORS / CRITERIA PROPOSAL CONTENT**

The contractor shall submit their quote in two (2) parts: Technical (i.e. Volume I) and Business (i.e. Volume II). The table below and sections A.1 and A.2 identifies the contents of each volume.

<b>Volume</b>	<b>Content</b>	<b>Page Limits</b>
<b>Volume I - Technical</b>	Factor 1 – Technical Approach	15 Pages
	Factor 2 – Management and Staffing Plan	
	- Key Personnel  *Resumes are limited to 2 pages per key personnel and are excluded from the 25 page limitation requirement.	
	Factor 3 – Past Performance	
<b>Volume I</b>		<b>15 Pages</b>
<b>Volume II - Business</b>	Factor 4 – Pricing	No page limit
	Forms, Certifications, and Representations	No page limit
<b>Volume II</b>		<b>No page limit</b>

**Volume I Contents, Technical Content (Response to the Technical Factors):**

**1. Technical Approach**

- A. The quoter’s Technical Approach shall demonstrate the quoter’s understanding of the work to be performed and provide its approach to accomplish the requirements listed in the Statement of Work (SOW).
- B. The quoter’s Technical Approach shall identify their previous and or current technical and management experience in similar and/or same tasks.
- C. The quoter’s Technical Approach shall include: 1) the quoter’s plans for tracking and controlling the work; 2) ensuring timeliness of performance; 3) methods for maintaining and enhancing the quality of work; 4) and maintaining responsiveness and customer satisfaction.

**2. Management and Staffing Plan**

- A. The quoter shall propose a Staffing Plan that addresses each aspect of the TSA requirement and the manner in which the quoter will fulfill those requirements to include the distribution of staff. The Staffing Plan shall include all labor categories, hours, and task assignments for each position for Key Personnel and Non-Key Personnel. Key Personnel shall be identified by name, in accordance with Section 33, HSAR Clause 3052.215-70 “Key Personnel or Facilities”, of this RFQ.
- B. The quoter’s Management and Staffing Plan must clearly identify the work to be

performed by any proposed sub-contractor(s).

### Resumes of Key Personnel

- A. The quoter shall identify key personnel by name and by labor category. Resumes are required to show each key person's qualifications and experience as it relates to the SOW. If the quoter proposes teaming partner(s) or subcontractor(s) in response to this RFQ, the quoter must identify the employer of the proposed key personnel. If the proposed Key Personnel is currently not employed by the Prime or subcontractor, the quoter shall provide a Letter of Intent signed by the proposed Key Personnel.
- B. The quoter shall submit resumes of its proposed key personnel and other special qualifications/certifications relevant to the ability of these individuals to perform under the contract. Resumes should reflect only the similar and same work required and also indicate education experience as well as certifications directly related in fulfilling this contractual requirement.

### **3. Past Performance**

- A. The quoter shall provide three (3) past performance references from current or prior customers on contracts and/or orders (as a prime contractor or subcontractor) that involve work of the same size, scope, and complexity that is being solicited by the TSA in this RFQ.
- B. If teaming partners or subcontractors are being proposed, the quoter must also provide two (2) past performance references in support of each teaming partner and subcontractor from their current or prior customers on contracts and/or orders (as a prime contractor or subcontractor) that involve work of the same size, scope, and complexity that is being solicited by the TSA in this RFQ.
- C. The quoter shall identify the following information for each of the past performance references the TSA will receive.
  - Name of Agency
  - Primary Point of Contact (name, title, phone, and email)
  - Alternate Point of Contact (name, title, phone, and email)
  - Contract/Task Order Number
  - Contract/Order Type
  - Period of Performance
  - Total Contract Dollar Value
  - Scope of the Contract/Task Order
  - Percentage of total contracted work completed by the quoter or subcontractor/teaming partner
  - Brief Description of the Work completed by the quoter within the Scope of the Contract/Task Order

The TSA may, at its discretion, obtain and evaluate information from sources other than those provided by the quoter. The TSA will not make repeated attempts to contact non-responsive references and reserves the right to not contact all references

provided.

## **Volume II Contents (Pricing and Forms)**

### **4. Pricing:**

The resulting Task Order will be a firm-fixed price Task Order. In completing Section I “Pricing Schedule” of this RFQ, quoters shall ensure that fixed monthly (if applicable) and total prices are submitted for all listed CLINs.

The quote must identify the rationale and supporting data for the proposed price following the contractor’s GSA Schedule of pricing. Please include GSA Schedule Number and appropriate page number. The contractor’s quote must identify the basis for the proposed prices in Section I “Pricing Schedule”, including, as applicable, labor categories, labor rates, proposed hours, and any other items that constitute the rationale and supporting data for the prices proposed in Section I. All prices submitted shall be provided from your GSA Schedule. Quoters shall include off-site and on-site labor rates. Vendors are also encouraged to provide discounts from your GSA Schedule pricing and any discounts offered should be specified.

In addition, Vendors shall also include labor category descriptions (e.g. background, education levels, years and type of experience, etc.) for each labor category used as a basis for the proposed prices in Section I “Pricing Schedule”. These labor category descriptions shall match those provided in your GSA Schedule.

### **5. Forms and Certifications & Representations**

Standard Form SF1449 – requires prime contractor employee signature in block 30a, 30b and 30c and a signed copy of the SF30 forms for any amendments issued under this solicitation.

## **C. OTHER INFORMATION**

**Page Limitation:** *Volume I - Page limitation is not to exceed 10 pages, excluding submission of resumes and Past Performance Information requested. One cover page and one table of contents are allowed in addition to the 10 page limit. Volume II – There is no page limitation for Volume II-Business.* The written response to this RFQ must be in two separate volumes (1. Technical and 2. Business) with a cover sheet giving a clear indication of the contents of each volume.-

The proposal text font will be Times New Roman 12-point type on standard 8 ½ inch by 11-inch paper with margins of at least 1” at the top, bottom and both sides.

Failure to fully adhere to the prescribed page and format restrictions may result in your firm’s disqualification from the competition.

**Cover Letter:** The Contractor’s company contact information (including Company name, Point

of Contact, Email address, Phone / Fax, Address, GSA Schedule Contract Number, DUNS number, Business Size, and Teaming Partners or subcontractors) must be clearly indicated in a cover letter to be included as part of the contractor's quote.

**Clarifications:**

All request for clarifications are due by 12:00 p.m. local time (Washington, D.C.) on **February 27<sup>th</sup>, 2012**. Requests for clarification shall be submitted via e-mail to the following:

(b)(6) with a copy to (b)(6)

Questions received after this date and time may not be addressed. Answers to all questions submitted will be provided as an amendment to this solicitation as soon as possible after the time and date listed above.

**Submission of Quotes:**

Quotes are due by 12:00 p.m. Local Time (Washington, D.C.), on **March 19<sup>th</sup>, 2012**. Quotes shall be submitted via e-mail to the following email addresses:

Contracting Officer, Isabel Roman-Cogswell at (b)(6)  
Contract Specialist, Katya D. Cruz at (b)(6)

In order to be considered for award, quotes must be received by the Contracting Officer no later than the exact time specified.

**Electronic Submissions:**

Will be the only acceptable submission format for this requirement. Both Volumes I and II shall be submitted as part of the same e-mail, but separate attachments. The electronic submission shall be in either PDF or a Microsoft Office application format, (i.e., MS Word or Excel). The electronic submission shall not exceed a size limit of 10 megabytes (MB). It is the responsibility of each firm to confirm transmission and receipt of their complete response to the Government by the due date and time specified. Firms shall allow sufficient time for transmission through the Government's IT firewall. Delays encountered due to the firms IT system DOES NOT constitute excusable delays. Quotes must be received by the Contract Specialist, no later than the exact time specified to be considered for award. E-mail messages should have HSTS01-12-Q-FIN017 in the subject line.

**D. EVALUATION FACTORS**

**A. Evaluation Factors for Award**

1. The Government intends to award one (1) Task Order resulting from this solicitation to the responsible quoter that best meets the need of the Government after consideration of all factors, that is, the proposal that provides the best value to the Government. Best value is defined as the quote that results in the most advantageous acquisition decision for the government as determined by an integrated assessment among price and non-price factors. The technical (non-price) evaluation factors (Technical Approach, Management and Staffing Plan, and Past Performance) are ranked in descending order of importance (Technical Approach most important) and are significantly more important than the Price Factor. As quotes become more equal in their non-price factors, the price factor will become equal to the non-price factors. The Government reserves the right not to award a task order resulting from this solicitation.

2. This is a notice that this order is a total set aside for “small business concerns”. Only quotes submitted by “small business concerns” will be accepted by the Government. Any quote that is submitted by a contractor that is not “a small business concern” will not be considered for award.
3. The Government may make a determination to award the order to other than the highest technically-rated quote, or other than the lowest evaluated price quote. The government intends to issue one award based on initial quotes and without holding discussions. The Government may determine to make trade-offs between technical and price factors, which may result in a determination that a superior technical solution merits a higher price for that solution.
4. The following factors shall be used to evaluate quotes:

*Factor 1: Technical Approach*

*Factor 2: Management and Staffing Plan*

*Factor 3: Past Performance*

*Factor 4: Price*

5. The Government intends to evaluate submittals and award a contract, either on initial submittals without communications or subsequent submittals with communications or through negotiations of terms with a quoter.
6. The Government will not evaluate the Factor 4 “Price” if the overall rating for the technical (non-price) evaluation factors (Technical Approach, Management and Staffing Plan, and Past Performance) is rated as “Unacceptable”.
7. The following represent the factors which will be evaluated in making an award determination:

**1. Technical Approach:**

**Technical Approach**

- A. The Government will evaluate the quoter’s quotes to determine their demonstrated understanding of the requirements to be performed and feasibility of the approach to successfully meet the requirements listed in the SOW.
- B. The Government will evaluate the quoter’s technical and management experience in similar and/or same tasks to determine their ability to successfully meet the requirements.
- C. The Government will evaluate the quoter’s plans for:
  1. Tracking and controlling the work;
  2. Ensuring timeliness of performance;
  3. Methods for maintaining and enhancing the quality of work; and
  4. Maintaining responsiveness and customer satisfaction.

**2. Management and Staffing Plan:**

- A. The Government will evaluate each of the proposed Key Personnel’s level of qualifications and degree of experience demonstrated in their resumes in relation to the SOW.
- B. The Government will evaluate the extent to which the resumes proposed demonstrate the ability of the key personnel to perform under the contract; and that the resumes reflect only similar and same work required and also indicate education experience as well as certifications directly related in fulfilling this task order’s requirements.

- C. The Government will evaluate the extent to which quoter's Management and Staffing Plan demonstrates the ability to fulfill the requirements including the distribution of staff.
- D. The Government will evaluate the work to be performed by any proposed sub-contractor(s) for the purpose of validating teaming arrangements.

**3. Past Performance:**

- A. The Government will evaluate the quoter's (3) past performance references from prior customers on contracts (as a prime contractor or subcontractor) ability to perform in a satisfactory manner, with the ability to comply with performance schedules, including the completion of tasks, managing work assignments, and delivering quality products and services.
- B. If the quoter proposes teaming partner(s) or subcontractor(s) in response to this RFQ, the Government will evaluate the quoter's two (2) additional past performance references total for each teaming partner or subcontractor.
- C. The TSA may, at its discretion, obtain and evaluate information from sources other than those provided by the quoter. The TSA will not make repeated attempts to contact non-responsive references and reserves the right to not contact all references provided.

**4. Price**

- A. The Government will evaluate the total price in accordance with FAR part 8.4 to determine that the total price is reasonable.
- B. If the Government exercises FAR Clause 52.217-8 "Option to Extend Services", the extension will be based on the rates specified in the contract for Option Period 5.

REQUEST FOR QUOTE

HSTS01-12-Q-FIN017

Under Federal Supply Schedule  
520-11 “Financial and Business Solutions”

*Internal Control Over Financial Reporting (ICOFR) and non-ICOFR  
Assessments, Testing, and Reporting*

This is a notice that this order is a total set aside for “small business concerns”. Only quotes submitted by “small business concerns” will be accepted by the Government. Any quote that is submitted by a contractor that is not “a small business concern” will not be considered for award.

## Table of Contents

<b>Section</b>	<b>Description</b>
I.	Pricing Schedule
II.	Statement of Work (SOW)
III.	Supplemental Clauses
IV.	Attachments
V.	Instructions to Prepare Quote & Evaluation Factors

# STANDARD FORM 1449

<b>SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS</b> <i>Offeror to complete blocks 12, 17, 23, 24, &amp; 30</i>				1. REQUISITION NUMBER	PAGE 1 of  50	
2. CONTRACT NO.	3. AWARD/EFFECTIVE DATE	4. ORDER NUMBER	5. SOLICITATION NUMBER  HSTS01-12-Q-FIN017	6. SOLICITATION ISSUE DATE  02/17/2012		
7. FOR SOLICITATION INFORMATION CALL		A. NAME  Katya D. Cruz / (b)(6)	B. TELEPHONE (No Collect Calls)  571-227-(b)(6)		8. OFFER DUE DATE/ LOCAL TIME (EST)  03/19/2012 12:00pm EST	
9. ISSUED BY  DEPARTMENT OF HOMELAND SECURITY TRANSPORTATION SECURITY ADMINISTRATION OFFICE OF ACQUISITION 601 SOUTH 12 <sup>TH</sup> STREET ARLINGTON, VA 20598-6025		CODE	10. THIS ACQUISITION IS  UNRESTRICTED  SET-ASIDE: 100% FOR <input checked="" type="checkbox"/> SMALL BUSINESS <input type="checkbox"/> SMALL DISADV. BUSINESS 8(A)  NAICS: SIZE STANDARD:	11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED SEE SCHEDULE  13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)  13b. RATING  14. METHOD OF SOLICITATION  <input checked="" type="checkbox"/> RFQ    IFB <input type="checkbox"/> RFP	12. DISCOUNT TERMS	
15. DELIVER TO:  SEE SCHEDULE		CODE	16. ADMINISTERED BY  OFFICE OF ACQUISITION HUMAN CAPITAL & FINANCE DIVISION 601 SOUTH 12 <sup>TH</sup> STREET ARLINGTON, VA 20598-6025			
17a. CONTRACTOR/OFFEROR  TELEPHONE:		CODE	FACILITY	18a. PAYMENT WILL BE MADE BY  COMMANDING OFFICER CG FINANCE CENTER 1430A KRISTINA WAY CHESAPEAKE, VA 23326-0624  Email: FIN-SMB-TSAINVOICES@uscg.mil    Fax: 757-413-7314		
17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER			18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BLOCK BELOW IS CHECKED:			
SEE ADDENDUM			SEE ADDENDUM			
19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES		21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
	See Schedule					
25. ACCOUNTING AND APPROPRIATION DATA					26. TOTAL AWARD AMOUNT (For Govt. Use Only)	
27a. SOLICITATIONS INCORPORATE BY REFERENCE FAR 52.212-1, 52.212-4 . FAR 52.212-3 AND 52.212-5 ARE ATTACHED. ADDENDA ARE X ARE NOT ATTACHED.						
27b. CONTRACTS/PURCHASE ORDERS INCORPORATE BY REFERENCE FAR 52.212-4. FAR 52.212-5 IS ATTACHED. ADDENDA ARE ARE NOT ATTACHED.						
28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN <u>1</u> COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED HEREIN.			29. AWARD OF CONTRACT: REFERENCE _____ OFFER DATED _____ YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS:			
30a. SIGNATURE OF OFFEROR/CONTRACTOR			31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER)			
30b. NAME AND TITLE OF SIGNER (TYPE OR PRINT)		30c. DATE SIGNED	31b. NAME OF CONTRACTING OFFICER		31c. DATE SIGNED	
			Evelyn Tyndell			

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## SECTION I – PRICING SCHEDULE

The Contractor shall provide the following services per the Statement of Work and in accordance with the terms and conditions of the Contract for the performance period identified in Section II – Statement of Work.

It is understood that the Firm-Fixed-Prices (FFP) for the base and each option periods are inclusive of all costs necessary to implement and fulfill the item numbers and accompanying item descriptions shown in the Price Schedule below. The Cost Reimbursement – Travel CLIN shall Not To Exceed (NTE) the authorized amount.

**Base Period Pricing: 6 Months From Date of Award (Date-Date)**

CLIN	TYPE	DESCRIPTION	UNIT	GOVERNMENT SITE	
				MONTHLY FIXED PRICE	TOTAL PRICE/ COST
0001	FFP	Internal Control Over Financial Reporting(ICOFR) and non-ICOFR Assessments, Testing, and Reporting; Improper Payments Elimination and Reporting Act (IPERA); Management Control Program; Project and Meeting Status Support Services ( <i>Section II - SOW</i> )	JB	<u>\$XXX</u>	<u>\$XXX</u>
0002	Cost Reimbursement	Travel ( <i>Section III – 2.0</i> )	Lot	N/A	NTE \$27,000
			<b><u>TOTAL</u></b>	N/A	<u>\$XXX</u>

**Option Period 1: 6 months (Date-Date)**

CLIN	TYPE	DESCRIPTION	UNIT	GOVERNMENT SITE	
				MONTHLY FIXED PRICE	TOTAL PRICE/ COST
1001	FFP	ICOFR and non-ICOFR Assessments, Testing, and Reporting; IPERA; Management Control Program; Project and Meeting Status Support Services ( <i>Section II-SOW</i> )	JB	<u>\$XXX</u>	<u>\$XXX</u>
1002	Cost Reimbursement	Travel ( <i>Section III – 2.0</i> )	Lot	N/A	NTE \$27,000
			<b><u>TOTAL</u></b>	N/A	<u>\$XXX</u>

**Option Period 2: 12 months (Date-Date)**

				GOVERNMENT SITE	
CLIN	TYPE	DESCRIPTION	UNIT	MONTHLY FIXED PRICE	TOTAL PRICE/COST
2001	FFP	ICOFR and non-ICOFR Assessments, Testing, and Reporting; IPERA; Management Control Program; Project and Meeting Status Support Services <i>(Section II-SOW)</i>	JB	<u>\$XXX</u>	<u>\$XXX</u>
2002	Cost Reimbursement	Travel <i>(Section III – 2.0)</i>	Lot	N/A	NTE \$27,000
			<b><u>TOTAL</u></b>	N/A	<u>\$XXX</u>

**Option Period 3: 12 months (Date-Date)**

				GOVERNMENT SITE	
CLIN	TYPE	DESCRIPTION	UNIT	MONTHLY FIXED PRICE	TOTAL PRICE/COST
3001	FFP	ICOFR and non-ICOFR Assessments, Testing, and Reporting; IPERA; Management Control Program; Project and Meeting Status Support Services <i>(Section II-SOW)</i>	JB	<u>\$XXX</u>	<u>\$XXX</u>
3002	Cost Reimbursement	Travel <i>(Section III – 2.0)</i>	Lot	N/A	NTE \$27,000
			<b><u>TOTAL</u></b>	N/A	<u>\$XXX</u>

**Option Period 4: 12 months (Date-Date)**

CLIN	TYPE	DESCRIPTION	UNIT	GOVERNMENT SITE	
				MONTHLY FIXED PRICE	TOTAL PRICE/COST
4001	FFP	ICOFR and non-ICOFR Assessments, Testing, and Reporting; IPERA; Management Control Program; Project and Meeting Status Support Services <i>(Section II-SOW)</i>	JB	<u>\$XXX</u>	<u>\$XXX</u>
4002	Cost Reimbursement	Travel <i>(Section III – 2.0)</i>	Lot	N/A	NTE \$27,000
			<b><u>TOTAL</u></b>	N/A	<u>\$XXX</u>

**Option Period 5: 12 months (Date-Date)**

CLIN	TYPE	DESCRIPTION	UNIT	GOVERNMENT SITE	
				MONTHLY FIXED PRICE	TOTAL PRICE/COST
5001	FFP	ICOFR and non-ICOFR Assessments, Testing, and Reporting; IPERA; Management Control Program; Project and Meeting Status Support Services <i>(Section II-SOW)</i>	JB	<u>\$XXX</u>	<u>\$XXX</u>
5002	Cost Reimbursement	Travel <i>(Section III – 2.0)</i>	Lot	N/A	NTE \$27,000
			<b><u>TOTAL</u></b>	N/A	<u>\$XXX</u>

**SECTION II**  
**STATEMENT OF WORK**  
**HSTS01-12-Q-FIN017**

**A. REQUIRING ORGANIZATION**

Transportation Security Administration (TSA), Office of Financial Management (OFM), Internal Control Branch (ICB)

**B. TITLE OF REQUIREMENT**

Internal Control Over Financial Reporting (ICOFR) and non-ICOFR Assessments, Testing, and Reporting

**C. SCOPE OF SERVICES**

The Contractor shall provide assessment, testing, and reporting support services for ICOFR and Improper Payments Elimination & Recovery Act (IPERA). The support services shall ensure OFM ICB meets requirements in accordance with Department of Homeland Security (DHS)-wide internal controls and Office of Management and Budget (OMB) Circular No. A-123.

In order to meet Federal Managers' Financial Integrity Act (FMFIA) requirements, the Contractor shall also support TSA's Management Control Program by consolidating data and reporting the status of corrective actions associated with financial audits or other financial management reviews.

**D. BACKGROUND**

On October 16, 2004, the President signed into law the Department of Homeland Security (DHS) Financial Accountability Act (hereinafter referred to as the DHS Financial Accountability Act). The DHS Financial Accountability Act requires the Secretary of Homeland Security to include in the Annual Financial Report (AFR), an assertion on internal control over financial reporting. Starting in Fiscal Year (FY) 2006 and for fiscal years thereafter, the Secretary must include in the AFR, an audit opinion on DHS's internal controls over financial reporting.

In addition, Appendix A of the revised Office of Management and Budget (OMB) Circular No. A-123, *"Management's Responsibility for Internal Control"* (OMB Circular A-123, Appendix A) provides specific requirements for federal agencies to establish internal controls over financial reporting, assess those internal controls, correct internal control deficiencies and provide a specific assertion to the reliability of internal controls over financial reporting.

In order to address the requirements of OMB Circular A-123, Appendix A, TSA must first document the process, highlight and assess the related internal controls over financial reporting. The Circular requires the assessment to include an evaluation of the design effectiveness of controls which is documented in the Control Evaluation Matrices; and the testing of operational effectiveness of control activities to determine if they are suitably designed to prevent or detect, on a timely basis, material misstatements in the financial reports.

**E. TECHNICAL REQUIREMENTS**

**E-1.0 A-123 ICOFR AND NON-ICOFR SUPPORT**

Document, assess, and conduct testing of TSA key processes associated with ICOFR and non-ICOFR; support TSA Senior Assessment Team (SAT) meetings; and provide support as described herein to TSA in fulfilling requirements addressed by DHS Internal Control Program Management Office (ICPMO), OMB Circular A-123, Appendix A and the DHS

Financial Accountability Act), GAO, and TSA internal control guidance, as well as, other relevant DHS Office of Chief Financial Officer (OCFO) guidance.

There are thirteen (13) TSA key ICOFR processes in support of the following areas: 1) Budgetary Resources; 2) Human Resources and Payroll Management; 3) Revenue and Receivable Management; 4) Payment Management; 5) Financial Reporting; 6) Property Management; 7) Fund Balance with Treasury; 8) Information Technology General Controls; 9) Entity Level Controls; 10) Government Charge Card - Individual Government Travel Cards; 11) Government Charge Card - Centrally Billed Accounts (CBAs); 12) Government Charge Card - Purchase Cards; and 13) Government Charge Card - Fleet Cards.

While ICOFR processes have an impact on financial reporting, Non-ICOFR are TSA key processes that primarily don't have a financial reporting impact on TSA. There are approximately twenty non-ICOFR key processes and a few examples include transit benefit subsidy programs, handling of loose change and foreign currency, processing of civil rights claims, and handling of passenger claims by TSA. *Below is the current list of Non-ICOFR processes. However, it should be noted that this list changes from year to year based on annual assessments that may identify new areas.*

- 1. Civil Rights Claims Tracking*
- 2. Transit Benefit Subsidy Program*
- 3. Executive Car Service*
- 4. Processing of Passenger Claims*
- 5. Handling of Foreign Currency and Loose Change*
- 6. Air Carrier Fee Audit process*
- 7. Travel card closouts for Separated Employees*
- 8. Reconciliation of CIMS/FPD to CAS*
- 9. Compliance monitoring of COR Responsibilities*
- 10. Monitoring of the Scripts process*
- 11. Configuration and Change management*
- 12. Online Learning Center Monitoring*
- 13. Voluntary Leave Transfer Program*
- 14. Employee Garnishments Process*
- 15. Processing of employee retirements*
- 16. Trend Analysis of G/L accounts*
- 17. Other Transactional Agreements*
- 18. Monitoring process over accounting service provider*
- 19. IT Segregation of duties*
- 20. Controls over Centrally Billed Accounts*

#### **E-1.1 UPDATE AND ASSESS ICOFR PROCESS NARRATIVES**

Update and assess eight (8) to thirteen (13) existing key process narratives per fiscal year to include flow-chart documentation and Control Evaluation Matrices (CEM) for TSA ICOFR key processes as required by OMB Circular A-123, Appendix A and the DHS Financial Accountability Act.

The existing process narratives average 45-75 pages in length, however there is one (1) narrative that is 200 pages in length. TSA guidance will determine schedule and processes to be documented and/or updated.

ICOFR process narratives shall be assessed and updated in accordance with the DHS guidance and shall also meet the following requirements:

- a. Be professionally prepared and include descriptive flow-charts for TSA ICOFR processes, to include sub-processes. *The software required for the process flow charts is Visio. It should be noted that this software will be provided by the Government.*
- b. Documentation/updates shall be prepared in accordance with DHS ICOFR Playbook and ICB guidance.
- c. Narratives and flowcharts shall be updated by meeting with stakeholders and incorporating comments/feedback or with more extensive walkthroughs with the stakeholders to reflect/convey changes since original process documentation.
- d. Assessment shall be based on best practices and accepted government accounting standards that if effectively implemented, would positively impact TSA's Annual Financial Statement audit.
- e. The contractor shall meet with management to gain understanding of TSA organizational structure and key mission areas having a material impact on financial reporting.
- f. Review annual, quarterly, and monthly TSA financial statements to gain understanding of key financial statement line items and changing trends which may impact ICOFR planning.
- g. Review existing documentation (e.g. prior year narratives, flow charts, control evaluation matrices, etc.) as specified by DHS ICOFR planning guidance.
- h. For those key processes assessed as being a "high risk", as generally determined to have a potentially high negative impact on financial reporting, the Contractor shall assist the TSA with the development of a testing process to determine and quantify the specific impact on financial reporting in order to provide qualitative results so that the TSA may implement mitigating controls/corrective actions. (Please refer to the SOW Section titled "ICOFR Testing" for additional details supporting this requirement.)
- i. Present documentation narratives and assessments to the Internal Control Branch (ICB) for review and approval, in order to present the approved narratives at TSA's Senior Assessment Team (SAT) Meetings in the months of April and May. Also, a PowerPoint presentation shall be prepared that summarizes the results. Each meeting with the ICB and SAT shall only address the results (i.e. documentation and assessments) for one (1) process at a time. Additional meetings shall be scheduled for other process results to be addressed separately. The meetings with ICB shall occur one (1) month prior to the scheduled meeting with SAT.
- j. Distribute documentation narratives and assessments to the SAT attendees three (3) business days prior to the scheduled SAT meeting in order for the SAT attendees to review the information in advance of the meeting.
- k. All required/approved SAT documentation narratives and assessments are due to DHS from OFM ICB historically at the end of the month of May.
- l. Attend or call-in (when this option is available) bi-weekly DHS led ICOFR meetings to receive any new information/changes in support of the ICOFR assessment narratives. These meetings typically occur from January through

August and last about one (1) hour in duration. These meetings are held in the Washington, D.C. metropolitan area and are accessible by public transportation..

- m. In addition to the bi-weekly DHS led ICOFR meetings, the Contractor shall attend or call-in (when this option is available) to periodic DHS led ICOFR meetings to receive targeted/in-depth information/changes in support of the ICOFR assessment narratives. There are approximately six (6) to eight (8) of these meetings held per fiscal year (FY) and typically occur from December through June and average one (1) hour in duration. These meetings are held in the Washington, D.C. metropolitan area and are accessible by public transportation.

#### E-1.2 DEVELOP AND UPDATE ICOFR AND NON-ICOFR TEST PLANS AND PERFORM TESTING

The Contractor shall develop and/or update Test of Operating Effectiveness' (TOE) in support of all thirteen (13) key ICOFR and an estimated 15-20 non-ICOFR processes. As a result of the Contractor's assessment of key processes and those processes identified as a "risk" (i.e. negative impact on financial reporting), which shall be in addition to other processes identified by TSA and DHS, the contractor shall develop approximately 17-25 TOE plans, and update approximately 83-100 TOE plans. One (1) TOE may cover multiple key processes, or be specific to one (1) key area, but multiple TOEs are developed for each of the thirteen (13) key ICOFR processes and approximately 15-20 of the non-ICOFR processes.

The Contractor shall:

- a. Assist ICB with the schedule/priority (i.e. Annual Review Plan) of the TOEs to be developed and/or updated and tested for that FY. The Annual Review Plan also addresses the Statement on Standards for Attestation Engagements (SSAE) #16 Test Plans required (further discussed under SOW Section E-1.6) This approved Annual Review Plan shall be completed by November 15<sup>th</sup> of each year.
- b. Each TOE to be developed and/or updated requires ICB's review and approval prior to implementation. The Contractor shall obtain approval for the TOE in the month prior to when the TOE is scheduled to occur in accordance with the Annual Review Plan.
- c. As a result of the testing conducted in accordance with the developed/approved TOEs, the Contractor shall make recommendations on new controls required for or improving existing key controls identified as either moderately effective or ineffective.
- d. The results shall include an assessment of the key processes tested and the negative impact on any of TSA's financial statements and TSA's reporting requirements.
- e. The Contractor shall continuously keep ICB apprised of testing results, assessments, and recommendations for ICB's concurrence on the continued plan of action.
- f. On a monthly basis, provide summary memos addressed to the OFM Director and to the TSA CFO that summarizes the results of all reviews (ICOFR and non-ICOFR) completed for that month. Format and content of memos to be agreed upon by ICB and contractor.

- g. Present results/assessments of the ICOFR and non-ICOFR TOEs, and recommendations to ICB for review and approval.
- h. Present results/assessment of the ICOFR TOEs and recommendations to ICB, for their review in order to present results/assessments at TSA's Senior Assessment Team (SAT) Meetings. ICB's review and approval is historically required in the month of July.
- i. Present results/assessment of the ICOFR TOEs, and recommendations at TSA's SAT Meetings historically scheduled during the month of August. Also, a PowerPoint presentation shall be prepared by the Contractor that summarizes the results. Each SAT meeting shall only generally address one of the ICOFR processes areas. Additional meetings will be scheduled for other process areas to be addressed separately for potentially up to thirteen SAT meetings.
- j. The results/assessments of the ICOFR TOEs shall be distributed to the SAT members three (3) business days prior to the scheduled SAT meeting in order for the SAT attendees to review the information in advance of the meeting.

### E-1.3 ICOFR AND NON-ICOFR CORRECTIVE ACTION DEVELOPMENT AND MONITORING

As a result of the testing completed in support of ICOFR and non-ICFOR processes, the Contractor shall work with the stakeholders (e.g. TSA Program Office Division Directors, Branch Chiefs, designated program POCs, etc.) of each process tested that resulted in negative findings of controls identified as ineffective to develop a separate Corrective Action Plan for each process. DHS has issued a required format for the development of the Corrective Action Plan (please refer to the Attachment titled "Internal Control Mission Action Plan Guide – FY12" for a copy of the guidance).

The Contractor shall:

- a. Develop a separate Corrective Action Plan for five (5) to seven (7) key ICOFR processes for ICB's approval and ultimately TSA's Administrator approval. After all ICOFR Corrective Action Plans have been approved by the TSA Administrator, ICB forwards to DHS to upload into DHS's Tracking Database for corrective action plans. Drafts of these plans are due to DHS in the month of November and the final is due from TSA in the month of December. The Contractor shall obtain ICB's review and approval of the Corrective Action Plans for the initial drafts due to DHS in November and again for the final plans due to DHS in December.
- b. Meet with the ICOFR Corrective Action Plan stakeholders on a bi-weekly basis to obtain updates on the status of completion for each corrective action.
- c. Develop and provide a monthly status report to ICB on the status of the corrective actions identified in the Corrective Action Plans for non-ICOFR processes, detailing the status of each required corrective action and highlighting those corrective actions that are past due, percentage of actions completed, and any issues that may impact completion of the given corrective action. Submit the Corrective Action Plan Status Tracking Report in excel format by Tuesday of each week following the bi-weekly meetings.
- d. Update the DHS Tracking Database on a bi-weekly status detailing the status of each required corrective action and highlighting those corrective actions that are past due in support of the ICOFR Corrective Action Plans.

- e. Develop a separate Corrective Action Plan for eight (8) to ten (10) non-ICOFR processes for ICB's approval and OFM Director Approval.
- f. Maintain tracking and applicable documentation of all corrective actions to identify and summarize when planned corrective actions have been completed, verified and validated by the Contractor.
- g. Develop and provide a bi-weekly status report to ICB for the corrective actions identified in the Corrective Action Plans for key ICOFR processes, detailing the status of each required corrective action, highlighting those corrective actions that are past due, percentage of actions completed, and any issues that may impact completion of the given corrective action.

#### E-1.4 ICOFR ENTITY LEVEL CONTROLS TESTING

- a. Internal Control Management and Evaluation Tool Reporting: The Government Accountability Office has issued an "Internal Control Management and Evaluation Tool", (also referred to as the *GAO tool*) which was developed as a result the guidance provided in GAO's *Standards for Internal Control in the Federal Government* (GAO/AIMD-00-21.3.1, November 1999). DHS has mandated its use amongst all of its components and has historically been due to DHS by the month of June.

As federal managers strive to achieve their agency's missions and goals and provide accountability for their operations, they need to continually assess and evaluate their internal control structure to assure that it is well designed and operated, appropriately updated to meet changing conditions, and provide reasonable assurance that the objectives of the agency are being achieved. *Specifically, TSA managers of the approximate 18 TSA Offices are required to examine internal control to determine how well it is performing, how it may be improved, and the degree to which it helps identify and address major risks for fraud, waste, abuse, and mismanagement. Below is a list of the current IS offices that use the Internal Control Management and Evaluation Tool.*

1. *Office of Acquisition*
2. *Office of Administrator*
3. *Office of Chief Counsel*
4. *Office of Finance and Administration*
5. *Office of Global Strategies*
6. *Office of Human Capital*
7. *Office of Information Technology*
8. *Office of Inspection*
9. *Office of Intelligence*
10. *Office of Law Enforcement/Federal Air Marshals Service*
11. *Office of Legislative Affairs*
12. *Office of Process Technology*
13. *Office of Professional Responsibility*
14. *Office of Security Operations*
15. *Office of Special Counselor*
16. *Office of Strategic Communications and Public Affairs*
17. *Transportation Sector Network Management*
18. *Transportation Threat Assessment and Credentialing*

*It should be noted that due to reorganizational changes this list can change.*

The tool addresses five (5) standards for internal control: control environment, risk assessment, control activities, information and communications, and monitoring.

Following a kick-off meeting scheduled and led by ICB and attended by Contractor Representative(s), this tool (excel format) is distributed to all of TSA's offices and the respective Office point of contact to update the tool, for the Contractor to ultimately consolidate the responses into one document for approval and submission to DHS.

The Contractor shall:

1. Attend the kick-off meeting.
2. Develop and distribute the materials (e.g. meeting notice, a copy of the tool, as well as the previous year's responses) to all required attendees (i.e. Program Office POCs) at the kick-off meeting. The binders and/or folders and other materials necessary to prepare this package shall be provided by the TSA for the Contractor's use.
3. Collect and consolidate the responses into one document for approval and submission to DHS by ICB, three (3) months in advance of the due date to DHS, approximately in March. The due date to DHS has historically been around the end of the month of May.
4. Ensure the final submission to DHS is complete, accurate, and free of errors.

b. *Consolidated Risk Assessment Report:*

TSA is required to update the Office of Management and Budget Circular A-123 review of entity level controls and complete the Government Accountability Office self assessment tool for entity level controls. As part of this update, a risk assessment is conducted throughout the TSA organization in order to appropriately identify, measure, and prioritize risks for their possible effect on achieving programs' missions, objectives, or goals. It also ensures that proper internal controls are in place to manage identified risks.

In order to meet this requirement, each TSA office (e.g. Human Capital, Acquisitions, etc.) completes a risk assessment. The assessment reflects the perception, understanding, and opinion of the evaluator (ideally someone with a solid working knowledge of the program/function) and, when performed objectively, is a strong indicator of risk.

Within one (1) month beginning the completion of the *GAO Tool*, each TSA Office is required to complete the Risk Assessment tool.

Following a kick-off meeting scheduled and led by ICB and attended by Contractor Representative(s), this survey (excel format) is distributed to all of TSA's offices and the respective Office point of contact to update

the survey, for the Contractor to ultimately consolidate the responses into one document for approval and submission to DHS in the month of June.

The Contractor shall:

1. Attend the kick-off meeting.
2. Develop and distribute the materials (e.g. a copy of the meeting notice, risk assessment survey, as well as the previous year's responses) to all required attendees (i.e. Program Office POCs) at the kick-off meeting. The binders and/or folders and other materials necessary to prepare this package shall be provided by the TSA for the Contractor's use.
3. Collect and consolidate the responses into one document for approval and submission to DHS by ICB, three (3) months in advance of the due date (i.e. June) to DHS.
4. Ensure the final submission to DHS is complete, accurate, and free of errors.

c. Annual Survey of OFM Management and Supporting Personnel:

An Annual Survey is issued in the late winter/early spring to receive feedback from OFM Management and Employees on their perception of internal controls within OFM.

The Contractor shall:

1. Update the previous year's survey for use in the given FY for ICB's review and approval. The survey generally consists of Yes/No responses (approximately 90) with some narrative responses (less than 10 questions).
2. Schedule meetings with OFM's Managers to conduct the survey in person. There are approximately 13 Managers in OFM.
3. Hand deliver the survey to the approximate 100 employees in OFM, all of whom are located on-site at TSA Headquarters.
4. Develop an e-mail to be sent by TSA OFM to the OFM Managers and Employees regarding the purpose of the survey, general instructions, etc.
5. Collect the surveys and compile the results to quantify and summarize the results to show such items as response rate, answers, and some narrative responses to capture and further explain statistical results.
6. Present survey results to ICB.

#### E-1.5 ICOFR SENIOR ASSESSMENT TEAM (SAT) MEETINGS

In support of the SAT Meetings to be scheduled for those requirements (e.g. ICOFR assessments, TOEs, etc.) earlier described herein, the Contractor shall:

- a. Schedule meetings utilizing Microsoft Outlook.
- b. Develop respective meeting agenda, which normally does not exceed one (1) page in length and contains bulleted information.

- c. Disseminate meeting materials as part of the meeting notice and hand deliver hard copies at least three (3) business days prior to the meeting to all required attendees (approximately 20), all of whom are located at TSA HQ.;
- d. Capture, document, and distribute meeting minutes to ICB and OFM Director by e-mail.
- e. Maintain SAT files on the Share Drive (i.e. S Drive) and one (1) final hard copy. SAT files include final approved copies of the documents to be approved by SAT, such as ICOFR Narratives, ICOFR Assessments, TOEs, TOE results and recommendations, etc.). The SAT files on the S Drive and the hard copy shall be organized in clear logical manner, with easily identifiable labels and titles. The hard copies shall be maintained in binders.

**E-1.6 STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS (SSAE) #16, REPORTING ON CONTROLS AT A SERVICE ORGANIZATION**

The Contractor shall assess the adequacy of controls in place at TSA's service providers that have an impact on financial reporting in accordance with DHS ICOFR Playbook, ICB guidance, and the Internal Control Branch Annual Review Plan.

For service providers that have an independent auditor, perform audits in accordance with SSAE #16 and review results to determine whether any issues may impact TSA each FY. Currently, the TSA only has one (1) service provider that has an independent auditor in accordance with SSAE#16, and does not anticipate any additional service providers having one in place during the performance of this Task Order.

Currently, the TSA has three (3) service providers (i.e. US Coast Guard, FedTraveler, and Lockheed Martin Integrated Systems) that do not have an independent auditor in place to perform the SSAE #16 review.

- *US Coast Guard Finance Center* – FY Quarterly reviews/audit are performed and travel is required to Chesapeake, VA for upwards of five (5) business days per quarterly review/audit.
- *FedTraveler* – FY Semi-Annual reviews/audits are in place with the goal for them to be quarterly in FY 13 and only require local travel.
- *Lockheed Martin Integrated Systems* – In support of TSA's HRAccess Contract, FY Quarterly reviews/audits are performed and only require local travel.

For service providers in which an independent SSAE #16 is performed by an independent auditor, the Contractor shall:

- a. Review the independent audit report submitted by the vendor to TSA in order to identify any potential issues that may impact TSA.
- b. Summarize the results of the review to be reported to ICB.

For service providers in which an independent SSAE #16 is currently not performed, the Contractor shall:

- c. Determine areas of controls that should be tested, develop and or update test plans. Test plans have been developed in support of the Coast Guard and only require updates. In support of HRAccess some plans have been developed and only require updates, and approximately seven (7) to ten (10)

- need to be newly developed. In support of FedTraveler, all seven (7) test plans need to be developed.
- d. As discussed under SOW Section E-1.2, the Contractor shall assist ICB with the schedule/priority (i.e. Annual Review Plan) of the Test Plans to be developed and/or updated and tested for that FY. The Annual Review Plan also addresses the TOEs required for ICOFR and non-ICOFR processes (further discussed under SOW Section E-1.2) This approved Annual Review Plan shall be completed by November 15<sup>th</sup> each year.
  - e. Obtain ICB's written approval of the developed Test Plans prior to performing the testing of controls.
  - f. Perform testing of controls.
  - g. Assess the impact of any issues on TSA.
  - h. Continue to keep ICB apprised of testing results, assessments, and recommendations for ICB's concurrence on the continued plan of action (i.e. Test Plan).
  - i. Modify Test plans prior to the start of the next review.
  - j. Develop and submit reports to ICB that summarizes the results of each review, which is approximately 12 individual reports (3 vendors X quarterly reviews).

#### E-2.0 IMPROPER PAYMENTS ELIMINATION & RECOVERY ACT (IPERA)

The Improper Payments Elimination and Recovery Act of 2010 (IPERA) amended the Improper Payments Information Act (IPIA) of 2002. The main objective of IPERA is to require agencies to increase their diligence in reducing improper payments. An improper payment is any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. DHS requires its components to test disbursements related to the American Recovery and Reinvestment Act (ARRA) in addition to any other agency programs identified as High Risk.

The Contractor shall:

- a. Assist ICB in performing an annual risk assessment and analysis, in accordance with DHS guidance, of all disbursements made by all TSA programs (disbursements include, payment to contractors for goods and services, travel, purchase card, payroll, *grants, Federal Intra-Government Payments, and non-payment types of transactions such as reclassification entries*). DHS guidance (i.e. Attachment *Improper Payments Reduction Guidebook*) provides the template to be followed when performing the annual risk assessment and analysis and the report to be developed. The Contractor is responsible for completing this report and submitting a final copy for approval to ICB two (2) weeks prior to the final submission deadline to DHS. The final report is due to DHS in the second quarter of the given FY, historically in the month of February.
- b. Assist ICB in identifying high risk programs, in accordance with DHS prescribed requirements that will be selected for testing. Historically, TSA has identified one (1) high risk program per risk assessment.

Following *DHS' approval of TSA's risk assessment* and analysis, the Contractor shall:

- c. Develop (if a new high risk program is identified) or update a test plan (if a existing high risk program has been re-identified) that details the steps to be performed in testing of the program's disbursements. This test plan requires ICB's review and approval prior to implementation.
- d. Assist ICB in performing sample testing (statistical sample for testing is currently provided by DHS) of selected disbursement transactions to assess the validity and accuracy of payment. Sample testing is performed on *the High Risk program and ARRA related disbursements*. In support of the High Risk program, historically sample testing has averaged 300 disbursements and for the ARRA related disbursements, sample testing has averaged 250 disbursements.
- e. Assist ICB in summarizing and reporting the results of the disbursement transaction testing. The Contractor shall submit the final report (excel format) to ICB in April of the given fiscal year for review and approval. The final report is historically due to DHS, in the month of May of the given FY.
- f. If the results of the sample testing results in a high percentage of overpayments, as defined by DHS, then the Contractor shall assist ICB in the development of any Corrective Action Plans, with the goal of reducing the level of improper payment. Historically the TSA has not had to develop any Corrective Action Plans in support of IPERA.

### E-3.0 MANAGEMENT CONTROL PROGRAM

To meet the Federal Managers' Financial Integrity Act (FMFIA) requirements, TSA must establish, evaluate, and report on management controls, and submit an annual "Statement of Assurance" to the President and the Congress. Specific responsibilities for the ICB associated with the TSA Management Control Program includes: 1) providing technical advice, training and program direction to the TSA Management Control Program; 2) providing guidance to program assessable unit managers in performing management control reviews; 3) soliciting input from TSA activities to prepare the annual Statement of Assurance for submission to DHS; 4) serving as the TSA lead for consolidating data and reporting the status of corrective actions associated with financial audits or other financial management reviews; and 5) reporting the annual Statement of Assurance and TSA Management Control Plan to the OFA/CFO.

The Contractor shall:

1. Management Control Objective Plan (MCOP) I-Share site Support: On an on-going basis, support the management of documents on the Management Control Objective Plan (MCOP) I-Share site which includes: keeping inventory of what documents are on the site and should either be added, updated, or removed. The MCOP supports all 450+ federalized airports and HQ Offices. Each airport and HQ Office has their own section on this site. In support of Management Control, each airport/HQ Office is responsible for completing and uploading various Management Control Checklists as directed by ICB. In support of this task, the Contractor shall regularly check to see which checklists have been completed and need to be completed. The Contractor shall document their findings and provide a monthly status report by the 10<sup>th</sup> of each month for the previous month's findings, to ICB.

2. Management Control Objective Plan Support: Management Control Objective Plans (MCOPs) address an office's plan for assessments of controls currently in place over its operational processes and are due to ICB in the month of October. The Contractor shall consolidate each TSA HQ office's Management Control Objective Plans (MCOPs) into a TSA-wide MCOP plan for ICB's initial review and approval, and ultimately TSA's senior leadership approval at one (1) of the quarterly Management Control Council Meetings. The TSA-wide MCOP is due to ICB in the month of November. ICB is responsible for presenting the TSA-wide MCOP plan at the Management Control Council Meeting.

The size of the MCOP depends on the Office and number of operational processes that require testing. For example, the Office of Financial Management's MCOP is approximately 30 pages, whereas the Federal Air Marshal Service (FAMS) is about 100 pages, with the majority of the offices averaging 25 pages. Historically, the TSA-wide MCOP, results in an average of 250 pages. The Contractor is not responsible for evaluating the information of each MCOP, but to perform an accuracy check on the information submitted (e.g. spelling, grammar, relevancy of information provided), and formatting to merge all MCOPs into one (1) TSA-wide MCOP.

3. Statement of Assurance Findings Report: A Statement of Assurance is each HQ office's and each federalized HUB airport's (approximately 125) report on the results of their testing of controls for the current FY and is due to ICB generally in the month of August. The Contractor shall review each submitted Statement of Assurance and summarize each statement's findings into a consolidated document (excel format) in order for ICB to understand the findings as a whole and ultimately for ICB to develop the TSA-wide Statement of Assurance for TSA's senior leadership approval at one (1) of the quarterly Management Control Council Meetings. The Contractor shall submit the Statement of Assurance Findings Report (excel report) to ICB by the end of August. ICB is responsible for presenting the TSA-wide MCOP plan at the Management Control Council Meeting.
4. Management Control Council Meetings Support: Provide administrative support to ICB in conducting quarterly Management Control Council Meetings at TSA Headquarters involving TSA senior managers across the agency to include, preparation and distribution of the binders to the council members; assisting ICB in room set up and presentation as directed by ICB; and serve as recorder of council business, preparing minutes for approval in accordance with ICB guidance. The Contractor shall be responsible for capturing and documenting meeting minutes to be distributed to all attendees. The distribution will be performed by ICB. The minutes are due to ICB for review and approval within two (2) days following each quarterly meeting.

#### E-4.0 PROJECT STATUS REPORTS

The Contractor shall designate the Program Manager as the single point of contact for performance of this requirement and submit bi-weekly status reports on the Contractor's performance of the Task Order's requirements. The Program Manager shall work for the prime contractor. The bi-weekly report shall address the following:

- a. A synopsis of task activities completed and/or worked on during the past reporting period documenting “As Required” support provided. This shall include status of deliverables and whether or not contract deliverables are on schedule for completion in accordance with contract requirements.
- b. Planned task activities scheduled for the following period.
- c. An identification of all issues/problems and recommended solutions.
- d. Meetings attended.

#### E-5.0 STATUS MEETINGS

The Contractor shall participate in the following status meetings.

- a. ICB’s Weekly Staff Meeting.
- b. At least quarterly, or as needed, meet with COTR to discuss status of issues and concerns related to contractor performance.

### F. DELIVERABLES

#### F-1.0 INSTRUCTIONS FOR DELIVERABLES

Unless otherwise specified, TSA requires delivery of one (1) electronic copy and one (1) hard copy of each deliverable. Electronic copies shall be delivered via e-mail attachment or other media by mutual agreement of the parties to (b)(6), Internal Control Branch, Office of Financial Management, TSA Headquarters, W12-123S, TSA-14, 601 South 12<sup>th</sup> Street, Arlington, VA 22303-4204. The electronic copy shall be in the appropriate Microsoft Office 2007 application or as mutually agreed to by the parties. The Contractor shall deliver products in accordance with the requirements of this SOW as detailed below and indicated in the Delivery Schedule Table. Additionally, all documentation and support will be maintained on TSA’s systems, including iShare and the shared drives.

For those Draft and Final Due Dates listed below that are not identified for specifically (e.g. December 1<sup>st</sup>), the exact due date will be identified by the COTR and provided to the Contractor once known. For those Draft and Final Due Dates listed below that are specifically identified for, if the identified date falls on a Saturday or Sunday, the Contractor shall submit that specific deliverable on the business day prior (e.g. Friday).

F-2.0 SCHEDULE OF DELIVERABLES

#	Deliverable	SOW Section Reference	Draft Due Date	Final Due Date	Recipient/Approvers	No. of Days to Approve
1	Update & Assess between eight (8) to thirteen (13) existing key process narratives. (Draft copies due to ICB)	E-1.1	30 days to ICB prior to scheduled SAT Meeting(s)	Two (2) weeks to ICB prior to scheduled SAT Meeting(s)	ICB ICOFR Lead and Assistant Director	5 days
2	Update & Assess between eight (8) to thirteen (13) existing key process narratives. (Final copies due to SAT)	E-1.1	N/A	April and May (5 days prior to meeting(s) are scheduled	ICB ICOFR Lead, Assistant Director and SAT Members	2 days prior to meeting
3	PowerPoint Presentation that summarizes the results of the process narratives and assessments to be presented to SAT.	E-1.1 and E-1.1i	Two (2) weeks to ICB prior to scheduled SAT Meeting(s)	One (1) week to ICB prior to scheduled SAT Meeting(s)	ICB ICOFR Lead and Assistant Director	3 days
4	Annual Review Plan for ICOFR and non-ICOFR Test Plans	E-1.1a and E-1.6d	One (1) week prior to Final Due Date	November 15 <sup>th</sup>	ICB Annual Review Plan Lead and Assistant Director	3 days
5	Update approximately 83-100 ICOFR and non-ICOFR TOE Plans.	E-1.2	20 <sup>th</sup> of the Month, prior to when the review is scheduled. If a review is scheduled in January, then the TOE is due to ICB on the 20 <sup>th</sup> of December.	Five (5) days following the Draft Due Date.	ICB Annual Review Plan Lead and Assistant Director	3 days
6	TOE testing and assessment Summary Memos (Draft to ICB)	E-1.2	10 <sup>th</sup> of the Month for results of the prior month.	13 <sup>th</sup> of the Month	ICB Annual Review Plan Lead and Assistant Director	2 days
7	TOE testing and assessment Summary Memos (Final)	E-1.2	N/A	15 <sup>th</sup> of the Month	ICB Annual Review Plan Lead and Assistant Director, OFM Director, and TSA CFO	1 day
8	Results/Assessments of the TOES (ICOFR and non-	E-1.2	30 <sup>th</sup> of the Month, of when the TOE was conducted.	5 <sup>th</sup> Day of the following	ICB Annual Review Plan Lead and Assistant Director	3 days

	ICOFR) to ICB.			Month.		
9	Results/Assessments of the TOES as they relate to the given ICOFR process, to be presented to SAT (Draft to ICB)	E-1.2	July 15th	July 30 <sup>th</sup>	ICB ICOFR Lead and Assistant Director	5 days
10	Results/Assessments of the TOES as they result to the given ICOFR process, to be presented to SAT	E-1.2	N/A	Five (5) days prior to scheduled SAT Meeting(s).	ICB ICOFR Lead, Assistant Director and SAT Members	2 days prior to meeting
11	PowerPoint Presentation that summarizes the results/assessments of the TOEs to be presented to SAT.	E-1.2	Two (2) weeks to ICB prior to scheduled SAT Meeting(s)	One (1) week to ICB prior to scheduled SAT Meeting(s)	ICB ICOFR Lead and Assistant Director	3 days
12	Corrective Action Plans for five (5) to seven (7) key ICOFR processes. (Drafts Due to DHS In November)	E-1.3	November 15 <sup>th</sup>	November 20 <sup>th</sup>	ICB ICOFR Lead and Assistant Director	5 days
13	Corrective Action Plans for five (5) to seven (7) key ICOFR processes. (Final Due to DHS In December)	E-1.3	December 15th	December 20 <sup>th</sup>	ICB ICOFR Lead and Assistant Director	5 days
14	Corrective Action Plans for eight (8) to ten (10) key non-ICOFR processes.	E-1.3	Three (3) weeks following the review/assessment of a non-ICOFR process that requires the development of a Corrective Action Plan.	One (1) week following the Draft Due Date.	ICB Annual Review Plan Lead and Assistant Director	5 days
15	Bi-weekly Corrective Action Plan Status Tracking for ICOFR processes.	E-1.3	N/A	Tuesday immediately following each bi-weekly status meeting.	ICB ICOFR Lead and Assistant Director .	1 day
16	Monthly Corrective Action Plan Status Tracking for non-	E-1.3	N/A	10 <sup>th</sup> of the Month	ICB Annual Review Plan Lead and Assistant Director	1 day

	ICOFR processes.					
17	Develop materials for ICOFR Entity Levels Control Testing Kick-Off Meeting	E-1.4a	Two (2) weeks prior to kick-off meeting	One (1) week prior to kick-off meeting	ICB ICOFR Lead and Assistant Director	5 days
18	Consolidate <i>GAO Tool</i> responses	E-1.4a	February 15 <sup>th</sup>	March 1 <sup>st</sup>	ICB ICOFR Lead and Assistant Director	5 days
19	Develop materials for Consolidated Risk Assessment Kick-Off Meeting.	E-1.4b	Two (2) weeks prior to kick-off meeting	One (1) week prior to kick-off meeting	ICB ICOFR Lead and Assistant Director	5 days
20	Consolidate <i>Risk Assessment</i> responses	E-1.4b	February 15 <sup>th</sup>	March 1 <sup>st</sup>	ICB ICOFR Lead and Assistant Director	5 days
21	Update Annual Survey of OFM Management and Supporting Personnel	E-1.4c	February 5 <sup>th</sup>	February 15 <sup>th</sup>	ICB ICOFR Lead and Assistant Director	5 days
22	Collect, Compile, and present Survey Results to ICB	E-1.4c	March 30 <sup>th</sup>	April 7 <sup>th</sup>	ICB ICOFR Lead and Assistant Director	5 days
23	Develop SAT Meeting Minutes	E-1.5	One (1) day following SAT Meeting to COTR only for review and approval.	Two (2) days following SAT Meeting.	ICB ICOFR Lead and Assistant Director and OFM Director	3 days
24	Summarize the results of the review of the SSAE#16 Report	E-1.6	One (1) week following receipt of the independent SSAE#16 report.	Two (2) days following the draft due date.	ICB Annual Review Plan Lead and Assistant Director	5 days
25	Develop SSAE#16 Test Plans for Cost Guard, HRAccess, and FedTraveler.	E-1.6c and E-1.6d	20 <sup>th</sup> of the Month, prior to when the review is scheduled in accordance with the Annual Review Plan. If a review is scheduled in January, then the SSAE#16 Test Plan is due to ICB on the 20 <sup>th</sup> of December.	Five (5) days following the Draft Due Date.	ICB Annual Review Plan Lead and Assistant Director	5 days
26	Develop and submit SSAE#16 Summary	E-1.6	Two (2) weeks following	One (1) week	ICB Annual Review Plan Lead and	5 days

	Results Report to ICB. (12 individual Reports [3 vendors X quarterly reviews]).		completion of field work.	following the draft due date.	Assistant Director	
27	IPERA Annual Risk Assessment and Analysis Report	E-1.7	January 20 <sup>th</sup>	January 30 <sup>th</sup>	ICB IPERA Lead and Assistant Director	5 days
28	Develop and/or Update IPERA Test Plans	E-2.0c	February 20 <sup>th</sup>	February 28 <sup>th</sup>	ICB IPERA Lead and Assistant Director	5 days
29	Summary Report on Results of IPERA Sample Transaction Testing	E-2.0c	April 20 <sup>th</sup>	April 30 <sup>th</sup>	ICB IPERA Lead and Assistant Director	5 days
30	Corrective Action Plan in support of IPERA	E-2.0f	TBD	TBD	ICB IPERA Lead and Assistant Director	5 days
31	Monthly Status Report on MCOP i-Share site Report	E-3.0a	N/A	10 <sup>th</sup> of the Month.	ICB MCOP Lead and Assistant Director	3 days
32	TSA-wide MCOP Plan	E-3.0b	October 31 <sup>st</sup>	November 10 <sup>th</sup>	ICB MCOP Lead and Assistant Director	5 days
33	Consolidated Statement of Assurance Findings Report	E-3.0c	August 15 <sup>th</sup>	August 25 <sup>th</sup>	ICB MCOP Lead and Assistant Director	5 days
34	Management Control Council Meeting Minutes	E-3.0d	One (1) day following the scheduled quarterly meetings.	One (1) day following the draft due date.	ICB MCOP Lead and Assistant Director	2 days
35	Bi-Weekly Project Status Report	E-4.0	N/A	Bi-weekly	COTR	N/A

**G. APPLICABLE DOCUMENTS**

- 1) Federal Managers' Financial Integrity Act (FMFIA) of 1982
- 2) Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Internal Control*, December 2004
- 3) Government Accountability Office (GAO) GAO/AIMD-00-21.3.1, *Standards for Internal Control in the Federal Government*, November 1999
- 4) Department of Homeland Security (DHS) *Financial Accountability Act*, October 2004
- 5) TSA Management Directive 1000.10-1, *Management Control Program*, August 2011
- 6) TSA Management Directive 1000.10-2, *Management Control Council*, August 2011
- 7) DHS *Internal Control Playbook and Management Assurance Process Guide*, FY 2011,
- 8) *Improper Payments Elimination and Recovery Act of 2010*
- 9) *Internal Control Mission Action Plan Guide Fiscal Year 2012*
- 10) *Improper Payments Reduction Guidebook*

## SECTION III. SUPPLEMENTAL CLAUSES

The following clauses are hereby added to the task order. In the event that any of these clauses conflict with the GSA Federal Supply Schedule contract, the Federal Supply Schedule shall take precedence.

### **1.0 SUBMISSION OF INVOICES - COMMERCIAL**

(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 (e) of this clause.

2) U.S. Mail:

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

3) Email Invoices:

[FIN-SMB-TSAInvoices@uscg.mil](mailto:FIN-SMB-TSAInvoices@uscg.mil), or [www.fincen.uscg.mil](http://www.fincen.uscg.mil)

(c) Invoice Process: Upon receipt of contractor invoices, FinCen will electronically route invoices to the appropriate TSA Contracting Officer's Technical 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 a 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>

(c) 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 Technical 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: Invoices shall be submitted on a monthly basis at 1/12 the value of the current period of performance.

(End of Clause)

## **2.0 TRAVEL AND PER DIEM**

*Non-local travel is only required from the task order's place of performance (i.e. Arlington, VA) to the following locations:*

- Chesapeake, VA
- Atlantic City, NJ
- Dallas, TX
- Oklahoma City, OK
- An estimated three (3) Federalized Airport Locations throughout CONUS or OCONUS

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.

(End of clause)

### **3.0 DISCLOSURE OF INFORMATION**

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.

(End of clause)

### **4.0 GOVERNMENT FURNISHED SUPPLIES AND EQUIPMENT**

The TSA will provide the contractor with the necessary work space, computer stations, and materials required to support the services described in the Statement of Work.

### **5.0 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.

(End of clause)

#### **6.0 PUBLICITY AND DISSEMINATION OF CONTRACT INFORMATION**

Publicity releases or commercial advertising in connection with or referring to this contract or effort shall not be made by the Contractor unless prior written approval has been received from the Contracting Officer.

The Contractor shall not publish, permit to be published, or distribute for public consumption, any information, oral or written, concerning the results or conclusions made pursuant to the performance of this contract, without the prior written consent of the Contracting Officer. Two copies of any material proposed to be published or distributed shall be submitted to the Contracting Officer.

A minimum of five full business days' notice is required for requests made in accordance with this provision.

(End of clause)

#### **7.0 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.

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

(End of clause)

#### **8.0 NON-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.

(End of clause)

## **9.0 CONTRACTOR RESPONSIBILITIES**

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

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.

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.

The Contractor shall adhere to the same professional and ethical standards of conduct required of Government personnel. The Contractor shall not:

- Discuss with unauthorized persons any information obtained in the performance of work under this contract.
- Conduct business not directly related to this contract on Government premises.
- Use computer systems and/or other Government facilities for company or personal business other than work related; or
- Recruit on Government premises or otherwise act to disrupt official Government business.

(End of clause)

## **10.0 QUALIFICATIONS OF EMPLOYEES**

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.

(End of clause)

#### **11.0 NON-DISCLOSURE AGREEMENTS**

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.

(End of clause)

#### **12.0 OBSERVANCE OF LEGAL HOLIDAYS AND OTHER ABSENCES**

The Government observes the following holidays:

- New Year's Day
- Martin Luther King Birthday
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Columbus Day
- Veteran's Day
- Thanksgiving Day
- Christmas Day
- Inauguration Day (Washington, DC metropolitan area)

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.

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 Technical 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.

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.

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

(End of clause)

### **13.0 ADVERTISING OF AWARD**

The contractor shall not refer to contract awards in commercial advertising in such a manner as to state or imply that the product or service provided is endorsed or preferred by the Federal Government or is considered by the Government to be superior to other products or services.

(End of clause)

### **14.0 MAJOR BREACH OF SAFETY OR SECURITY**

(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.

(End of Clause)

### **15.0 CONTRACTOR STAFF 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.

(End of Clause)

#### **16.0 EMPLOYEE TERMINATION**

The contractor shall notify the Contracting Officer and the Contracting Officer's Technical 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.

(End of clause)

#### **17.0 STANDARDS OF CONDUCT AND RESTRICTIONS**

The contractor shall adhere to the same professional and ethical standards of conduct required of Government personnel. Personnel performing work under this contract shall not:

- Solicit new business while performing work under the contract;
- Conduct business other than that which is covered by this contract during periods paid by the Government;
- Conduct business not directly related to this contract on Government premises;
- Use Government computer systems or networks, and/or other Government facilities for company or personal business;
- Recruit on Government premises or otherwise act to disrupt official Government business.

(End of Clause)

#### **18.0 ELECTRONIC AND INFORMATION TECHNOLOGY TO ACCOMMODATE USERS WITH DISABILITIES (SECTION 508 OF THE REHABILITATION ACT)**

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.

(End of clause)

#### **19.0 WORKPLACE VIOLENCE PREVENTION**

All Contractor personnel requiring unescorted access to TSA facilities, information systems, or information will be required to complete Workplace Violence Prevention training available through the TSA Online Learning Center. The course, entitled "Preventing Workplace Violence at TSA" shall be completed within 60 days of onboarding.

(End of clause)

## **20.0 NOTIFICATION OF PERSONNEL CHANGES**

The Contractor shall notify the Contracting Officer's Technical Representative (COTR) 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 COTR: full name, social security number, effective date, and reason for change.

(End of clause)

## **21.0 SUBSTITUTION OF KEY PERSONNEL**

The Contractor shall notify the Contracting Officer (CO) and the Contracting Officer's Technical Representative (COTR) 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:

- (a) an explanation of the circumstances necessitating the substitution;
- (b) a complete resume of the proposed substitute; and
- (c) 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 COTR 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.

(End of clause)

## **22.0 CONTROLLED UNCLASSIFIED INFORMATION DATA PRIVACY AND PROTECTION**

The Contractor shall be responsible for the security of: i) all data that is generated by the contractor on behalf of the Government ii) Government data transmitted by the contractor, and iii) Government data otherwise stored or processed by the contractor, regardless of who owns or controls the underlying systems while that data is under the contractor's control. All Government data, including but not limited to Personal Identifiable Information (PII), Sensitive Security Information (SSI), and Sensitive But Unclassified (SBU), and/or Critical Infrastructure Information (CII), shall be protected according to Department of Homeland Security information security policies and mandates.

At the expiration of the contract, the contractor shall return all Government information and IT resources provided to the contractor during the contract.

The contractor must satisfy requirements to work with and safeguard Sensitive Security Information (SSI), and Personally Identifiable Information (PII). All support personnel must understand and rigorously follow all applicable DHS Component Agency's requirements, policies, and procedures for safeguarding SSI and PII. Contractor personnel will be required to complete online training for SSI, Informational Security and Privacy training, if required by the DHS Component Agency

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

The Government will identify IT systems transmitting unclassified/SSI information that will require protection based on a risk assessment as applicable. If encryption is required, the following methods are acceptable for encrypting sensitive information:

- a. Products Advanced Encryption Standard (AES) algorithms that have been validated under FIPS140-2.
- b. National Security Agency (NSA) Type 2 or Type 1 encryption.
- c. Public Key Infrastructure (PKI) (see paragraph 5.5.2.1 of the Department of Homeland Security (DHS) IT Security Program Handbook (DHS Management Directive (MD) 4300A) for Sensitive Systems).

The contractor shall maintain data control according to the applicable DHS Component Agency's security level of the data. Data separation will include the use of discretionary access control methods, VPN encryption methods, data aggregation controls, data tagging, media marking, backup actions, and data disaster planning and recovery. Contractors handling PII must comply with TSA MD 3700.4 if applicable.

Users of Government IT assets shall adhere to all system security requirements to ensure the confidentiality, integrity, availability, and non-repudiation of information under their control. All users accessing Government IT assets are expected to actively apply the practices specified in the TSA Information Technology Security Policy (ITSP) Handbook, Chapter 3, Section 6, Privacy and Acceptable Use, or similar DHS Component Agency's guidance or policy.

The contractor shall comply with the all data disposition requirements stated in the applicable DHS Component Agency's Information Security Policy. For all TSA orders the contractor shall comply with Information Security Policy Handbook Chapter 3, Section 17 Computer Data Storage Disposition, as well as TSA Management Directive 3700.4.

(End of clause)

### **23.0 PERSONNEL ACCESS**

All Contractor personnel requiring unescorted access to TSA facilities, information systems, or information will be subject to the security procedures set forth in this contract.

(End of clause)

### **24.0 CONTRACTING OFFICER (CO)**

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: *Evelyn Emdell*

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

EMAIL: (b)(6)

(End of clause)

## **25.0 CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR) AND TECHNICAL MONITORS**

**16.1** The principle role of the COTR 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 COTR 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 COTR on all work orders, tasks, deliverables and actions that require immediate attention relating to the approved scope and obligated funding of the contract action.

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

**TSA COTRs: Will be provided at time of Task Order Award**

NAME:

PHONE NUMBER:

EMAIL:

**25.3** The COTR(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 COTR, will be promptly provided to the Contractor by the Contracting Officer in writing.

**25.4** The responsibilities and limitations of the COTR are as follows:

- The COTR is responsible for the technical aspects of the project and technical liaison with the Contractor. The COTR is also responsible for the final inspection and acceptance of all reports and such other responsibilities as may be specified in the contract.
- The COTR may designate assistant COTR(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 COTR will maintain communications with the Contractor and the Contracting Officer. The COTR must report any observed fraud, waste, or opportunities to improve performance of cost efficiency to the Contracting Officer.
- The COTR 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 COTR 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 COTR. No such changes shall be made without the expressed prior authorization of the Contracting Officer.

- The COTR is not authorized to direct the Contractor on how to perform the work.
- The COTR is not authorized to issue stop-work orders. The COTR 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 COTR is not authorized to discuss new proposed efforts or encourage the Contractor to perform additional efforts on an existing contract or order.

**25.5** The responsibilities and limitations of the TM are as follows:

- Coordinating with the COTR 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 COTR for consideration.
- Informing the COTR if the Contractor is not meeting performance, cost, schedule milestones.
- Performing technical reviews of the Contractor's proposals as directed by the COTR.
- Performing acceptance of the Contractor's deliverables as directed by the COTR.
- 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.

(End of clause)

**26.0 SPECIAL INFORMATION TECHNOLOGY CONTRACT SECURITY REQUIREMENTS**

(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 technical 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 Technical 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 technical 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 Technical Representative (COTR) and IT Security Division shall conduct reviews to ensure that the security requirements in the contract are implemented and enforced.

(End of clause)

**27.0 SECURITY OF SYSTEMS HANDLING PERSONALLY IDENTIFIABLE INFORMATION AND PRIVACY INCIDENT RESPONSE (Nov 2010)**

(a) Definitions.

"Breach" (may be used interchangeably with "Privacy Incident") as used in this clause means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar situation where persons other than authorized users, and for other than authorized purpose, have access or potential access to Personally Identifiable Information, in usable form whether physical or electronic.

“Personally Identifiable Information (PII)” as used in this clause means any information that permits the identity of an individual to be directly or indirectly inferred, including any other information that is linked or linkable to that individual regardless of whether the individual is a citizen of the United States, legal permanent resident, or a visitor to the United States.

Examples of PII include: name, date of birth, mailing address, telephone number, Social Security Number (SSN), email address, zip code, account numbers, certificate/license numbers, vehicle identifiers including license plates, uniform resource locators (URLs), Internet protocol addresses, biometric identifiers (e.g., fingerprints), photographic facial images, or any other unique identifying number or characteristic, and any information where it is reasonably foreseeable that the information will be linked with other information to identify the individual.

“Sensitive Personally Identifiable Information (Sensitive PII)” as used in this clause is a subset of Personally Identifiable Information, which if lost, compromised or disclosed without authorization, could result in substantial harm, embarrassment, inconvenience, or unfairness to an individual. Complete social security numbers (SSN), alien registration numbers (A-number) and biometric identifiers (such as fingerprint, voiceprint, or iris scan) are considered Sensitive PII even if they are not coupled with additional PII. Additional examples include any groupings of information that contains an individual’s name or other unique identifier plus one or more of the following elements:

- (1) Driver’s license number, passport number, or truncated SSN (such as last 4 digits)
- (2) Date of birth (month, day, and year)
- (3) Citizenship or immigration status
- (4) Financial information such as account numbers or Electronic Funds Transfer Information
- (5) Medical Information
- (6) System authentication information such as mother’s maiden name, account passwords or personal identification numbers (PIN)

Other Personally Identifiable information may be “sensitive” depending on its context, such as a list of employees with less than satisfactory performance ratings or an unlisted home address or phone number. In contrast, a business card or public telephone directory of agency employees contains Personally Identifiable Information but it is not sensitive.

(b) Systems Access. Work to be performed under this contract requires the handling of Sensitive PII. The contractor shall provide the Government access to, and information regarding systems the contractor operates on behalf of the Government under this contract, when requested by the Government, as part of its responsibility to ensure compliance with security requirements, and shall otherwise cooperate with the Government in assuring compliance with such requirements. Government access shall include independent validation testing of controls, system penetration testing by the Government, Federal Information Security Management Act (FISMA) data reviews, and access by agency Inspectors General for its reviews.

(c) Systems Security. In performing its duties related to management, operation, and/or access of systems containing Sensitive PII under this contract, the contractor, its employees and subcontractors shall comply with applicable security requirements described in DHS Sensitive System Publication 4300A or any replacement publication and rules of conduct as described in TSA MD 3700.4

In addition, use of contractor-owned laptops or other media storage devices to process or store PII is prohibited under this contract until the contractor provides, and the

contracting officer in coordination with CISO approves, written certification by the contractor that the following requirements are met:

- (1) Laptops employ encryption using a NIST Federal Information Processing Standard (FIPS) 140-2 or successor approved product;
- (2) The contractor has developed and implemented a process to ensure that security and other applications software are kept current;
- (3) Mobile computing devices utilize anti-viral software and a host-based firewall mechanism;
- (4) When no longer needed, all removable media and laptop hard drives shall be processed (i.e., sanitized, degaussed, or destroyed) in accordance with DHS security requirements.
- (5) The contractor shall maintain an accurate inventory of devices used in the performance of this contract;
- (6) Contractor employee annual training and rules of conduct/behavior shall be developed, conducted/issued, and acknowledged by employees in writing. Training and rules of conduct shall address at minimum:
  - (i) Authorized and official use;
  - (ii) Prohibition against use of personally-owned equipment to process, access, or store Sensitive PII;
  - (iii) Prohibition against access by unauthorized users and unauthorized use by authorized users; and
  - (iv) Protection of Sensitive PII;
- (7) All Sensitive PII obtained under this contract shall be removed from contractor-owned information technology assets upon termination or expiration of contractor work. Removal must be accomplished in accordance with DHS Sensitive System Publication 4300A, which the contracting officer will provide upon request. Certification of data removal will be performed by the contractor's Project Manager and written notification confirming certification will be delivered to the contracting officer within 15 days of termination/expiration of contractor work.

(d) Data Security. Contractor shall limit access to the data covered by this clause to those employees and subcontractors who require the information in order to perform their official duties under this contract. The contractor, contractor employees, and subcontractors must physically secure Sensitive PII when not in use and/or under the control of an authorized individual, and when in transit to prevent unauthorized access or loss. When Sensitive PII is no longer needed or required to be retained under applicable Government records retention policies, it must be destroyed through means that will make the Sensitive PII irretrievable.

The contractor shall only use Sensitive PII obtained under this contract for purposes of the contract, and shall not collect or use such information for any other purpose without the prior written approval of the contracting officer. At expiration or termination of this contract, the contractor shall turn over all Sensitive PII obtained under the contract that is in its possession to the Government.

(e) Breach Response. The contractor agrees that in the event of any actual or suspected breach of Sensitive PII (i.e., loss of control, compromise, unauthorized disclosure, access for an unauthorized purpose, or other unauthorized access, whether physical or electronic), it shall immediately, and in no event later than one hour of discovery, report the breach to the contracting officer, the Contracting Officer's Technical Representative (COTR), and the TSA Director of Privacy Policy & Compliance (TSAprivacy@dhs.gov). The contractor is responsible for positively verifying that notification is received and acknowledged by at least one of the foregoing Government parties.

(f) Personally Identifiable Information Notification Requirement. The contractor has in place procedures and the capability to promptly notify any individual whose Sensitive PII was, or is reasonably believed to have been, breached, as determined appropriate. The method and content of any notification by the contractor shall be coordinated with, and subject to the prior approval of the Government, based upon a risk-based analysis conducted by the Government in accordance with DHS Privacy incident Handling Guidance. Notification shall not proceed unless the Government has determined that: (1) notification is appropriate; and (2) would not impede a law enforcement investigation or jeopardize national security.

Subject to Government analysis of the breach and the terms of its instructions to the contractor regarding any resulting breach notification, a method of notification may include letters to affected individuals sent by first class mail, electronic means, or general public notice, as approved by the Government. At minimum, a notification should include: (1) a brief description of how the breach occurred; (2) a description of the types of personal information involved in the breach; (3) a statement as to whether the information was encrypted or protected by other means; (4) steps an individual may take to protect themselves; (5) what the agency is doing, if anything, to investigate the breach, to mitigate losses, and to protect against any further breaches; and (6) point of contact information identifying who affected individuals may contact for further information.

In the event that a Sensitive PII breach occurs as a result of the violation of a term of this contract by the contractor or its employees, the contractor shall, as directed by the contracting officer and at no cost to the Government, take timely action to correct or mitigate the violation, which may include providing notification and/or other identity protection services to affected individuals for a period not to exceed 12 months from discovery of the breach. Should the Government elect to provide and/or procure notification or identity protection services in response to a breach, the contractor will be responsible for reimbursing the Government for those expenses.

(g) Pass-Through of Security Requirements to Subcontractors. The contractor agrees to incorporate the substance of this clause, its terms and requirements, in all subcontracts under this contract, and to require written subcontractor acknowledgement of same. Violation by a subcontractor of any provision set forth in this clause will be attributed to the contractor.

(End of clause)

## **28.0 PERFORMANCE/DELIVERY PERIOD**

The base Period of Performance (POP) for the functions described herein is 6-months, with one 6-month option period, and four 12-month option periods, for a total POP of five (5) years.

The TSA will not receive the full benefit of the services to be provided under the subject contract until all contractor personnel are vetted. It is anticipated that the vetting of contractor personnel will take approximately eight (8) weeks. The effective date of this award is approximately eight (8) weeks from the date the contract is awarded. Should the vetting process take less or more time than the eight (8) weeks identified, the effective date of this contract will be bilaterally modified to note the known date of when the Contractor's personnel meet the suitability determination requirements described herein.

(End of clause)

## **29.0 PLACE OF DELIVERY AND PERFORMANCE**

Contract performance shall take place at:

Transportation Security Administration  
601 S. 12<sup>th</sup> Street, Arlington, VA 22202

*The TSA will serve as the primary place of performance. However, if circumstances do not allow personnel to perform at this location (e.g., inaccessible building), contractor personnel may be allowed to work from a different location (e.g., contractor's facility).*

(End of clause)

## **30.0 HSAR 3052.204-71 CONTRACTOR EMPLOYEE ACCESS – ALTERNATE I (JUN 2006)**

(a) *Sensitive Information*, as used in this Chapter, means any information, the loss, misuse, disclosure, or unauthorized access to or modification of which could adversely affect the national or homeland security interest, or 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.

(g) Before receiving access to IT resources under this contract the individual must receive a security briefing, which the Contracting Officer's Technical Representative (COTR) will arrange, and complete any nondisclosure agreement furnished by DHS.

(h) The contractor shall have access only to those areas of DHS information technology resources explicitly stated in this contract or approved by the COTR in writing as necessary for performance of the work under this contract. Any attempts by contractor personnel to gain access to any information technology resources not expressly authorized by the statement of work, other terms and conditions in this contract, or as approved in writing by the COTR, is strictly prohibited. In the event of violation of this provision, DHS will take appropriate actions with regard to the contract and the individual(s) involved.

(i) Contractor access to DHS networks from a remote location is a temporary privilege for mutual convenience while the contractor performs business for the DHS Component. It is not a right, a guarantee of access, a condition of the contract, or Government Furnished Equipment (GFE).

(j) Contractor access will be terminated for unauthorized use. The contractor agrees to hold and save DHS harmless from any unauthorized use and agrees not to request additional time or money under the contract for any delays resulting from unauthorized use or access.

(k) Non-U.S. citizens shall not be authorized to access or assist in the development, operation, management or maintenance of Department IT systems under the contract, unless a waiver has been granted by the Head of the Component or designee, with the concurrence of both the Department's Chief Security Officer (CSO) and the Chief Information Officer (CIO) or their designees. Within DHS Headquarters, the waiver may be granted only with the approval of both the CSO and the CIO or their designees. In order for a waiver to be granted:

- (1) The individual must be a legal permanent resident of the U. S. or a citizen of Ireland, Israel, the Republic of the Philippines, or any nation on the Allied Nations List maintained by the Department of State;
- (2) There must be a compelling reason for using this individual as opposed to a U. S. citizen; and
- (3) The waiver must be in the best interest of the Government.

(4) Contractors shall identify in their proposals the names and citizenship of all non-U.S. citizens proposed to work under the contract. Any additions or deletions of non-U.S. citizens after contract award shall also be reported to the contracting officer.

(End of clause)

**31.0 HSAR 3052.209-72 ORGANIZATIONAL CONFLICT OF INTEREST (JUN 2006)**

(a) Determination. The Government has determined that this effort may result in an actual or potential conflict of interest, or may provide one or more offerors with the potential to attain an unfair competitive advantage. The nature of this conflict includes advance knowledge of any projected or actual procurement sensitive information that your company may bid or respond to, and includes access to FPD, CIMS, MARKVIEW, CAS, and SUNFLOWER.

(b) If any such conflict of interest is found to exist, the Contracting Officer may (1) disqualify the offeror, or (2) determine that it is otherwise in the best interest of the United States to contract with the offeror and include the appropriate provisions to avoid, neutralize, mitigate, or waive such conflict in the contract awarded. After discussion with the offeror, the Contracting Officer may determine that the actual conflict cannot be avoided, neutralized, mitigated or otherwise resolved to the satisfaction of the Government, and the offeror may be found ineligible for award.

(c) Disclosure: The offeror hereby represents, to the best of its knowledge that:

\_\_\_ (1) It is not aware of any facts which create any actual or potential organizational conflicts of interest relating to the award of this contract, or \_\_\_ (2) It has included information in its proposal, providing all current information bearing on the existence of any actual or potential organizational conflicts of interest, and has included a mitigation plan in accordance with paragraph (d) of this provision.

(d) Mitigation. If an offeror with a potential or actual conflict of interest or unfair competitive advantage believes the conflict can be avoided, neutralized, or mitigated, the offeror shall submit a mitigation plan to the Government for review. Award of a contract where an actual or potential conflict of interest exists shall not occur before Government approval of the mitigation plan. If a mitigation plan is approved, the restrictions of this provision do not apply to the extent defined in the mitigation plan.

(e) Other Relevant Information: In addition to the mitigation plan, the Contracting Officer may require further relevant information from the offeror. The Contracting Officer will use all information submitted by the offeror, and any other relevant information known to DHS, to determine whether an award to the offeror may take place, and whether the mitigation plan adequately neutralizes or mitigates the conflict.

(f) Corporation Change. The successful offeror shall inform the Contracting Officer within thirty (30) calendar days of the effective date of any corporate mergers, acquisitions, and/or divestures that may affect this provision.

(g) Flow-down. The contractor shall insert the substance of this clause in each first tier subcontract that exceeds the simplified acquisition threshold.

(End of provision)

**32.0 HSAR 3052.209-73 LIMITATION OF FUTURE CONTRACTING (JUN 2006)**

(a) The Contracting Officer has determined that this acquisition may give rise to a potential organizational conflict of interest. Accordingly, the attention of prospective offerors is invited to FAR Subpart 9.5 -- Organizational Conflicts of Interest.

(b) The nature of this conflict includes advance knowledge of any projected or actual procurement sensitive information that your company may bid or respond to, and includes access to FPD, CIMS, MARKVIEW, CAS, and SUNFLOWER.

(c) The restrictions upon future contracting are as follows:

(1) If the Contractor, under the terms of this contract, or through the performance of tasks pursuant to this contract, is required to develop specifications or statements of work that are to be incorporated into a solicitation, the Contractor shall be ineligible to perform the work described in that solicitation as a prime or first-tier subcontractor under an ensuing DHS contract. This restriction shall remain in effect for a reasonable time, as agreed to by the Contracting Officer and the Contractor, sufficient to avoid unfair competitive advantage or potential bias (this time shall in no case be less than the duration of the initial production contract). DHS shall not unilaterally require the Contractor to prepare such specifications or statements of work under this contract.

(2) To the extent that the work under this contract requires access to proprietary, business confidential, or financial data of other companies, and as long as these data remain proprietary or confidential, the Contractor shall protect these data from unauthorized use and disclosure and agrees not to use them to compete with those other companies.

(End of clause)

### **33.0 HSAR 3052.215-70 KEY PERSONNEL OR FACILITIES (DEC 2003)**

(a) The personnel or facilities specified below are considered essential to the work being performed under this contract and may, with the consent of the contracting parties, be changed from time to time during the course of the contract by adding or deleting personnel or facilities, as appropriate.

(b) Before removing or replacing any of the specified individuals or facilities, the Contractor shall notify the Contracting Officer, in writing, before the change becomes effective. The Contractor shall submit sufficient information to support the proposed action and to enable the Contracting Officer to evaluate the potential impact of the change on this contract. The Contractor shall not remove or replace personnel or facilities until the Contracting Officer approves the change.

The Key Personnel or Facilities under this Contract:

TO BE IDENTIFIED BY VENDORS

(End of clause)

### **34.0 52.204-1 APPROVAL OF CONTRACT (Dec 1989)**

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

(End of clause)

### **35.0 52.217-8 OPTION TO EXTEND SERVICES (Nov 1999)**

The Government may require continued performance of any services within the limits and at the rates specified in the contract. These rates may be adjusted only as a result of revisions to prevailing labor rates

provided by the Secretary of Labor. The option provision may be exercised more than once, but the total extension of performance hereunder shall not exceed 6 months. The Contracting Officer may exercise the option by written notice to the Contractor within 30 days.

(End of clause)

**36.0 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 30 days; provided that the Government gives the Contractor a 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 exercises this option, the extended contract shall be considered to include this option clause.

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed 5 years.

(End of clause)

**37.0 52.219-6 NOTICE OF TOTAL SMALL BUSINESS SET-ASIDE (Nov 2011)**

(a) *Definition.* "Small business concern," as used in this clause, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the size standards in this solicitation.

(b) *Applicability.* This clause applies only to--

- (1) Contracts that have been totally set aside or reserved for small business concerns; and
- (2) Orders set aside for small business concerns under multiple-award contracts as described in 8.405-5 and 16.505(b)(2)(i)(F).

(c) *General.*

- (1) Offers are solicited only from small business concerns. Offers received from concerns that are not small business concerns shall be considered nonresponsive and will be rejected.
- (2) Any award resulting from this solicitation will be made to a small business concern.

(d) *Agreement.* A small business concern submitting an offer in its own name shall furnish, in performing the contract, only end items manufactured or produced by small business concerns in the United States or its outlying areas. If this procurement is processed under simplified acquisition procedures and the total amount of this contract does not exceed \$25,000, a small business concern may furnish the product of any domestic firm. This paragraph does not apply to construction or service contracts.

(End of provision)

**39.0 52.219-14 – LIMITATION ON SUBCONTRACTING (Nov 2011)**

(a) This clause does not apply to the unrestricted portion of a partial set-aside.

(b) *Applicability.* This clause applies only to--

- (1) Contracts that have been set aside or reserved for small business concerns or 8(a) concerns;
- (2) Part or parts of a multiple-award contract that have been set aside for small business concerns or 8(a) concerns; and
- (3) Orders set aside for small business or 8(a) concerns under multiple-award contracts as described in 8.405-5 and 16.505(b)(2)(i)(F).

(c) By submission of an offer and execution of a contract, the Offeror/Contractor agrees that in performance of the contract in the case of a contract for --

(1) *Services (except construction)*. At least 50 percent of the cost of contract performance incurred for personnel shall be expended for employees of the concern.

(2) *Supplies (other than procurement from a nonmanufacturer of such supplies)*. The concern shall perform work for at least 50 percent of the cost of manufacturing the supplies, not including the cost of materials.

(3) *General construction*. The concern will perform at least 15 percent of the cost of the contract, not including the cost of materials, with its own employees.

(4) *Construction by special trade contractors*. The concern will perform at least 25 percent of the cost of the contract, not including the cost of materials, with its own employees.

(End of Clause)

**40.0 52.233-2 SERVICE OF PROTEST (SEP 2006)**

(a) Protests, as defined in section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the Government Accountability Office (GAO), shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgment of receipt from:

Transportation Security Administration  
Office of Acquisition TSA-25  
Attn:  Evelyn Lindell   
601 South 12th Street  
Arlington, VA 20598-6025

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

(End of Provision)

## SECTION IV. ATTACHMENTS

No.	Attachment Title
<b>A</b>	DHS Form 11000-6, <i>Sensitive But Unclassified Information Non-Disclosure Agreement (NDA)</i>
<b>B</b>	Federal Managers' Financial Integrity Act (FMFIA) of 1982
<b>C</b>	DHS Internal Control over Financial Reporting Playbook and Planning Guidance for FY11 ( <i>FY 12 copy not available yet from DHS – not likely to be significant changes</i> )
<b>D</b>	TSA Management Directive 1000.10-1, Management Control Program, August 2011
<b>E</b>	TSA Management Directive 1000.10-2, Management Control Council, August 2011
<b>F</b>	Internal Control Map Guide Fiscal Year 2012
<b>G</b>	Improper Payments Reduction Guidebook

**The following documents are not attached, but the applicable web address of their location is identified for.**

No.	Attachment Title & Web Address
<b>H</b>	Office of Management and Budget (OMB) Circular A-123, <i>Management's Responsibility for Internal Control</i> , December 2004  <a href="http://www.whitehouse.gov/sites/default/files/omb/circulars/a123/a123_rev.pdf">http://www.whitehouse.gov/sites/default/files/omb/circulars/a123/a123_rev.pdf</a>
<b>I</b>	Government Accountability Office (GAO) GAO/AIMD-00-21.3.1, Standards for Internal Control in the Federal Government, November 1999  <a href="http://www.gao.gov/products/AIMD-00-21.3.1">http://www.gao.gov/products/AIMD-00-21.3.1</a>
<b>J</b>	Department of Homeland Security (DHS) Financial Accountability Act, October 2004  <a href="http://www.gpo.gov/fdsys/pkg/PLAW-108publ330/pdf/PLAW-108publ330.pdf">http://www.gpo.gov/fdsys/pkg/PLAW-108publ330/pdf/PLAW-108publ330.pdf</a>
<b>K</b>	Improper Payments Elimination and Recovery Act of 2010  <a href="http://www.gpo.gov/fdsys/pkg/BILLS-111s1508enr/pdf/BILLS-111s1508enr.pdf">http://www.gpo.gov/fdsys/pkg/BILLS-111s1508enr/pdf/BILLS-111s1508enr.pdf</a>

**SECTION V. INSTRUCTIONS TO PREPARE QUOTE & EVALUATION FACTORS**

**A. SOURCE SELECTION FACTORS / CRITERIA PROPOSAL CONTENT**

The contractor shall submit their quote in two (2) parts: Technical (i.e. Volume I) and Business (i.e. Volume II). The table below and sections A.1 and A.2 identifies the contents of each volume.

<b>Volume</b>	<b>Content</b>	<b>Page Limits</b>
<b>Volume I - Technical</b>	Factor 1 – Technical Approach	15 Pages
	Factor 2 – Management and Staffing Plan	
	- Key Personnel  *Resumes are limited to 2 pages per key personnel and are excluded from the page limitation requirement.	
	Factor 3 – Past Performance	
<b>Volume I</b>		<b>15 Pages</b>
<b>Volume II - Business</b>	Factor 4 – Pricing	No page limit
	Forms, Certifications, and Representations	No page limit
<b>Volume II</b>		<b>No page limit</b>

**Volume I Contents, Technical Content (Response to the Technical Factors):**

**1. Technical Approach**

- A. The quoter’s Technical Approach shall demonstrate the quoter’s understanding of the work to be performed and provide its approach to accomplish the requirements listed in the Statement of Work (SOW).
- B. The quoter’s Technical Approach shall identify their previous and or current technical and management experience in similar and/or same tasks.
- C. The quoter’s Technical Approach shall include: 1) the quoter’s plans for tracking and controlling the work; 2) ensuring timeliness of performance; 3) methods for maintaining and enhancing the quality of work; 4) and maintaining responsiveness and customer satisfaction.

**2. Management and Staffing Plan**

- A. The quoter shall propose a Staffing Plan that addresses each aspect of the TSA requirement and the manner in which the quoter will fulfill those requirements to include the distribution of staff. The Staffing Plan shall include all labor categories, hours, and task assignments for each position for Key Personnel and Non-Key Personnel. Key Personnel shall be identified by name, in

accordance with Section 33, HSAR Clause 3052.215-70 “Key Personnel or Facilities”, of this RFQ.

- B. The quoter’s Management and Staffing Plan must clearly identify the work to be performed by any proposed sub-contractor(s).

Resumes of Key Personnel

- A. The quoter shall identify key personnel by name and by labor category. Resumes are required to show each key person’s qualifications and experience as it relates to the SOW. If the quoter proposes teaming partner(s) or subcontractor(s) in response to this RFQ, the quoter must identify the employer of the proposed key personnel. If the proposed Key Personnel is currently not employed by the Prime or subcontractor, the quoter shall provide a Letter of Intent signed by the proposed Key Personnel.
- B. The quoter shall submit resumes of its proposed key personnel and other special qualifications/certifications relevant to the ability of these individuals to perform under the contract. Resumes should reflect only the similar and same work required and also indicate education experience as well as certifications directly related in fulfilling this contractual requirement.

**3. Past Performance**

- A. The quoter shall provide three (3) past performance references from current or prior customers on contracts and/or orders (as a prime contractor or subcontractor) that involve work of the same size, scope, and complexity that is being solicited by the TSA in this RFQ.
- B. If teaming partners or subcontractors are being proposed, the quoter must also provide two (2) past performance references in support of each teaming partner and subcontractor from their current or prior customers on contracts and/or orders (as a prime contractor or subcontractor) that involve work of the same size, scope, and complexity that is being solicited by the TSA in this RFQ.
- C. The quoter shall identify the following information for each of the past performance references the TSA will receive.
- Name of Agency
  - Primary Point of Contact (name, title, phone, and email)
  - Alternate Point of Contact (name, title, phone, and email)
  - Contract/Task Order Number
  - Contract/Order Type
  - Period of Performance
  - Total Contract Dollar Value
  - Scope of the Contract/Task Order
  - Percentage of total contracted work completed by the quoter or subcontractor/teaming partner
  - Brief Description of the Work completed by the quoter within the Scope of the Contract/Task Order

The TSA may, at its discretion, obtain and evaluate information from sources other than those provided by the quoter. The TSA will not make repeated attempts to contact non-responsive references and reserves the right to not contact all references provided.

## **Volume II Contents (Pricing and Forms)**

### **4. Pricing:**

The resulting Task Order will be a firm-fixed price Task Order. In completing Section I “Pricing Schedule” of this RFQ, quoters shall ensure that fixed monthly (if applicable) and total prices are submitted for all listed CLINs.

The quote must identify the rationale and supporting data for the proposed price following the contractor’s GSA Schedule of pricing. Please include GSA Schedule Number and appropriate page number. The contractor’s quote must identify the basis for the proposed prices in Section I “Pricing Schedule”, including, as applicable, labor categories, labor rates, proposed hours, and any other items that constitute the rationale and supporting data for the prices proposed in Section I. All prices submitted shall be provided from your GSA Schedule. Vendors are also encouraged to provide discounts from your GSA Schedule pricing and any discounts offered should be specified.

In addition, Vendors shall also include labor category descriptions (e.g. background, education levels, years and type of experience, etc.) for each labor category used as a basis for the proposed prices in Section I “Pricing Schedule”. These labor category descriptions shall match those provided in your GSA Schedule.

### **5. Forms and Certifications & Representations**

Standard Form 1449– requires prime contractor employee signature in block 30a, 30b, and 30c and a signed copy of the SF30 forms for any amendments issued under this solicitations.

## **C. OTHER INFORMATION**

**Page Limitation:** *Volume I - Page limitation is not to exceed    pages, excluding submission of resumes and Past Performance Information requested. One cover page and one table of contents are allowed in addition to the    page limit. Volume II – There is no page limitation for Volume II-Business.* The written response to this RFQ must be in two separate volumes (1. Technical and 2. Business) with a cover sheet giving a clear indication of the contents of each volume.-

The proposal text font (*including graphs, charts, and other informative visuals*) will be Times New Roman 12-point type on standard 8 ½ inch by 11-inch paper with margins of at least 1” at the top, bottom and both sides.

Failure to fully adhere to the prescribed page and format restrictions may result in your firm’s disqualification from the competition.

**Cover Letter:** The Contractor's company contact information (including Company name, Point of Contact, Email address, Phone / Fax, Address, GSA Schedule Contract Number, DUNS number, Business Size, and Teaming Partners or subcontractors) must be clearly indicated in a cover letter to be included as part of the contractor's quote. *It should be noted that the Cover Letter is excluded from the page limitation for Volume I and does not have a page limit.*

**Clarifications:**

All request for clarifications are due by 12:00 p.m. local time (Washington, D.C.) on **February 27<sup>th</sup>, 2012**. Requests for clarification shall be submitted via e-mail to the following:

(b)(6) with a copy to (b)(6).

Questions received after this date and time may not be addressed. Answers to all questions submitted will be provided as an amendment to this solicitation as soon as possible after the time and date listed above.

**Submission of Quotes:**

Quotes are due by 12:00 p.m. Local Time (Washington, D.C.), on March 26<sup>th</sup>, 2012. Quotes shall be submitted via e-mail to the following email addresses:

Contracting Officer, Evelyn Tyndell at (b)(6)  
Contract Specialist, Katya D. Cruz at (b)(6)

In order to be considered for award, quotes must be received by the Contracting Officer no later than the exact time specified.

**Electronic Submissions:**

Will be the only acceptable submission format for this requirement. Both Volumes I and II shall be submitted as part of the same e-mail, but separate attachments. The electronic submission shall be in either PDF or a Microsoft Office application format, (i.e., MS Word or Excel). The electronic submission shall not exceed a size limit of 10 megabytes (MB). It is the responsibility of each firm to confirm transmission and receipt of their complete response to the Government by the due date and time specified. Firms shall allow sufficient time for transmission through the Government's IT firewall. Delays encountered due to the firms IT system DOES NOT constitute excusable delays. Quotes must be received by the Contract Specialist, no later than the exact time specified to be considered for award. E-mail messages should have HSTS01-12-Q-FIN017 in the subject line.

**D. EVALUATION FACTORS**

**A. Evaluation Factors for Award**

1. The Government intends to award one (1) Task Order resulting from this solicitation to the responsible quoter that best meets the need of the Government after consideration of all factors, that is, the proposal that provides the best value to the Government. Best value is defined as the quote that results in the most advantageous acquisition decision for the government as determined by an integrated assessment among price and non-price factors. The technical (non-price) evaluation factors (Technical Approach, Management and Staffing Plan, and Past Performance) are ranked in descending order of importance (Technical Approach most important) and are significantly more important than the Price Factor. As quotes become more equal in their non-

price factors, the price factor will become equal to the non-price factors. The Government reserves the right not to award a task order resulting from this solicitation.

2. This is a notice that this order is a total set aside for “small business concerns”. Only quotes submitted by “small business concerns” will be accepted by the Government. Any quote that is submitted by a contractor that is not “a small business concern” will not be considered for award.

3. The Government may make a determination to award the order to other than the highest technically-rated quote, or other than the lowest evaluated price quote. The government intends to issue one award based on initial quotes and without holding discussions. The Government may determine to make trade-offs between technical and price factors, which may result in a determination that a superior technical solution merits a higher price for that solution.

4. The following factors shall be used to evaluate quotes:

*Factor 1: Technical Approach*

*Factor 2: Management and Staffing Plan*

*Factor 3: Past Performance*

*Factor 4: Price*

5. The Government intends to evaluate submittals and award a contract, either on initial submittals without communications or subsequent submittals with communications or through negotiations of terms with a quoter.

6. The Government will not evaluate the Factor 4 “Price” if the overall rating for the technical (non-price) evaluation factors (Technical Approach, Management and Staffing Plan, and Past Performance) is rated as “Unacceptable”.

7. The following represent the factors which will be evaluated in making an award determination:

**1. Technical Approach:**

**Technical Approach**

- A. The Government will evaluate the quoter’s quotes to determine their demonstrated understanding of the requirements to be performed and feasibility of the approach to successfully meet the requirements listed in the SOW.
- B. The Government will evaluate the quoter’s technical and management experience in similar and/or same tasks to determine their ability to successfully meet the requirements.
- C. The Government will evaluate the quoter’s plans for:
  - 1. Tracking and controlling the work;
  - 2. Ensuring timeliness of performance;
  - 3. Methods for maintaining and enhancing the quality of work; and
  - 4. Maintaining responsiveness and customer satisfaction.

**2. Management and Staffing Plan:**

- A. The Government will evaluate each of the proposed Key Personnel’s level of qualifications and degree of experience demonstrated in their resumes in relation to the SOW.

- B. The Government will evaluate the extent to which the resumes proposed demonstrate the ability of the key personnel to perform under the contract; and that the resumes reflect only similar and same work required and also indicate education experience as well as certifications directly related in fulfilling this task order's requirements.
- C. The Government will evaluate the extent to which quoter's Management and Staffing Plan demonstrates the ability to fulfill the requirements including the distribution of staff.
- D. The Government will evaluate the work to be performed by any proposed sub-contractor(s) for the purpose of validating teaming arrangements.

**3. Past Performance:**

- A. The Government will evaluate the quoter's (3) past performance references from prior customers on contracts (as a prime contractor or subcontractor) ability to perform in a satisfactory manner, with the ability to comply with performance schedules, including the completion of tasks, managing work assignments, and delivering quality products and services.
- B. If the quoter proposes teaming partner(s) or subcontractor(s) in response to this RFQ, the Government will evaluate the quoter's two (2) additional past performance references total for each teaming partner or subcontractor.
- C. The TSA may, at its discretion, obtain and evaluate information from sources other than those provided by the quoter. The TSA will not make repeated attempts to contact non-responsive references and reserves the right to not contact all references provided.

**4. Price**

- A. The Government will evaluate the total price in accordance with FAR part 8.4 to determine that the total price is reasonable.
- B. If the Government exercises FAR Clause 52.217-8 "Option to Extend Services", the extension will be based on the rates specified in the contract for Option Period 5.

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>				1. CONTRACT ID CODE	PAGE 1 OF 2 PAGES
2. AMENDMENT/MODIFICATION NO. A00001		3. EFFECTIVE DATE March 15, 2012	4. REQUISITION/PURCHASE REQ. NO.		5. PROJECT NO. <i>(If applicable)</i>
6. ISSUED BY U.S. Department of Homeland Security Transportation Security Administration 601 South 12 <sup>th</sup> Street Arlington, VA 22202			1. ADMINISTERED BY <i>(If other than Item 6)</i> Katya D. Cruz, Contract Specialist Phone: (571)227-(b)(6) Fax: (b)(6)		CODE
8. NAME AND ADDRESS OF CONTRACTOR <i>(No. Street, county, State and ZIP Code)</i>				(c) 9A. AMENDMENT OF SOLICITATION NO. X HSTS01-12-Q-FIN017	9B. DATED <i>(SEE ITEM 11)</i> 02/17/2012
CODE				10A. MODIFICATION OF CONTRACT/ORDER NO.	
FACILITY CODE				10B. DATED <i>(SEE ITEM 13)</i>	

**11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS**

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers  is extended.  is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

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

12. ACCOUNTING AND APPROPRIATION DATA *(If required)*

N/A

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

(4) A.	THIS CHANGE ORDER IS ISSUED PURSUANT TO: <i>(Specify authority)</i> . THE CHANGES SET FORTH IN ITEM 11 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
B.	THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES <i>(such as changes in paying office, appropriation date, etc.)</i> SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
C.	THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
D.	OTHER <i>(Specify type of modification and authority)</i>

E. IMPORTANT: Contractor  is not,  is required to sign this document and return 1 copies to the issuing office.

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

**See Page 2**

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

15A. NAME AND TITLE OF SIGNER <i>(Type or print)</i>		16A. NAME AND TITLE OF CONTRACTING OFFICER <i>(Type or print)</i> Evelyn Tyndell CONTRACTING OFFICER	
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
 <i>(Signature of person authorized to sign)</i>		BY <i>(Signature of Contracting Officer)</i>	

The purpose of this amendment to Solicitation HSTS01-12-Q-FIN017 is to:

1. Answer questions received in response to the solicitation by the question deadline of February 27<sup>th</sup>, 2012 at 12:00pm (local DC time). Questions & Answers can be found in Attachment I, entitled "Questions & Answers" which has been attached to Amendment A00001.
2. Modify the following sections in the Request for Quote "RFQ", changes read as follows:

**a. Section I "Pricing Schedule" is hereby modified to remove the requirements for off-site rates (contractor site).**

**b. Section II "Statement of Work", E-1.0 "A-123 ICOFR and non-ICOFR Support" (third paragraph).**

**Current:**

While ICOFR processes have an impact on financial reporting, Non-ICOFR are TSA key processes that primarily don't have a financial reporting impact on TSA. There are approximately twenty non-ICOFR key processes and a few examples include transit benefit subsidy programs, handling of loose change and foreign currency, processing of civil rights claims, and handling of passenger claims by TSA.

**Revised:**

While ICOFR processes have an impact on financial reporting, Non-ICOFR are TSA key processes that primarily don't have a financial reporting impact on TSA. There are approximately twenty non-ICOFR key processes and a few examples include transit benefit subsidy programs, handling of loose change and foreign currency, processing of civil rights claims, and handling of passenger claims by TSA. Below is the current list of Non-ICOFR processes. However, it should be noted that this list changes from year to year based on annual assessments that may identify new areas.

1. Civil Rights Claims Tracking
2. Transit Benefit Subsidy Program
3. Executive Car Service
4. Processing of Passenger Claims
5. Handling of Foreign Currency and Loose Change
6. Air Carrier Fee Audit process
7. Travel card closeouts for Separated Employees
8. Reconciliation of CIMS/FPD to CAS
9. Compliance monitoring of COR Responsibilities
10. Monitoring of the Scripts process
11. Configuration and Change management
12. Online Learning Center Monitoring
13. Voluntary Leave Transfer Program

- 14. Employee Garnishments Process
- 15. Processing of employee retirements
- 16. Trend Analysis of G/L accounts
- 17. Other Transactional Agreements
- 18. Monitoring process over accounting service provider
- 19. IT – Segregation of duties
- 20. Controls over Centrally Billed Accounts

**c. Section II “Statement of Work”, E-1.1 (a) “Update and Assess ICOFR Process Narratives”.**

**Current:**

- a. Be professionally prepared and include descriptive flow-charts for TSA ICOFR processes, to include sub-processes.

**Revised:**

- a. Be professionally prepared and include descriptive flow-charts for TSA ICOFR processes, to include sub-processes. The software required for the process flow charts is Visio. It should be noted that this software will be provided by the Government.

**d. Section II “Statement of Work”, E-1.4 (a) “ICOFR Entity Level Controls Testing” (second paragraph).**

**Current:**

As federal managers strive to achieve their agency’s missions and goals and provide accountability for their operations, they need to continually assess and evaluate their internal control structure to assure that it is well designed and operated, appropriately updated to meet changing conditions, and provide reasonable assurance that the objectives of the agency are being achieved. Specifically, TSA managers of the approximate 20 TSA Offices (e.g. Human Capital, Acquisition, etc.), are required to examine internal control to determine how well it is performing, how it may be improved, and the degree to which it helps identify and address major risks for fraud, waste, abuse, and mismanagement. The tool addresses five (5) standards for internal control: control environment, risk assessment, control activities, information and communications, and monitoring.

**Revised:**

As federal managers strive to achieve their agency’s missions and goals and provide accountability for their operations, they need to continually assess and evaluate their internal control structure to assure that it is well designed and operated, appropriately updated to meet changing conditions, and provide reasonable assurance that the objectives of the agency are being achieved. Specifically, TSA managers of the approximate 18 TSA Offices are required to examine internal control to determine how

well it is performing, how it may be improved, and the degree to which it helps identify and address major risks for fraud, waste, abuse, and mismanagement. Below is a list of the current 18 offices that use the Internal Control Management and Evaluation Tool.

1. Office of Acquisition
2. Office of Administrator
3. Office of Chief Counsel
4. Office of Finance and Administration
5. Office of Global Strategies
6. Office of Human Capital
7. Office of Information Technology
8. Office of Inspection
9. Office of Intelligence
10. Office of Law Enforcement/Federal Air Marshals Service
11. Office of Legislative Affairs
12. Office of Process Technology
13. Office of Professional Responsibility
14. Office of Security Operations
15. Office of Special Counselor
16. Office of Strategic Communications and Public Affairs
17. Transportation Sector Network Management
18. Transportation Threat Assessment and Credentialing

It should be noted that due to reorganizational changes this list can change.

The tool addresses five (5) standards for internal control: control environment, risk assessment, control activities, information and communications, and monitoring.

**e. Section II “Statement of Work”, E-2.0 (a) “Improper Payments Elimination & Recovery Act (IPERA)”.**

**Current:**

- a. Assist ICB in performing an annual risk assessment and analysis, in accordance with DHS guidance, of all disbursements made by all TSA programs (disbursements include, payment to contractors for goods and services, travel, purchase card, payroll). DHS guidance (i.e. Attachment *Improper Payments Reduction Guidebook*) provides the template to be followed when performing the annual risk assessment and analysis and the report to be developed. The Contractor is responsible for completing this report and submitting a final copy for approval to ICB two (2) weeks prior to the final submission deadline to DHS. The final report is due to DHS in the second quarter of the given FY, historically in the month of February.

**Revised:**

- a. Assist ICB in performing an annual risk assessment and analysis, in accordance with DHS guidance, of all disbursements made by all TSA programs (disbursements

include, payment to contractors for goods and services, travel, purchase card, payroll, grants, Federal Intra-Government Payments, and non-payment types of transactions such as reclassification entries). DHS guidance (i.e. Attachment *Improper Payments Reduction Guidebook*) provides the template to be followed when performing the annual risk assessment and analysis and the report to be developed. The Contractor is responsible for completing this report and submitting a final copy for approval to ICB two (2) weeks prior to the final submission deadline to DHS. The final report is due to DHS in the second quarter of the given FY, historically in the month of February.

**f. Section III. “Supplemental Clauses”, Clause 29.0 “Place of Delivery and Performance”. The following paragraph has been added.**

The TSA will serve as the primary place of performance. However, if circumstances do not allow personnel to work at this location (e.g., inaccessible building), contractor personnel may be allowed to work from a different location (e.g., contractor’s facility).

**g. Section V. “Instructions to Prepare Quote and Evaluation Factors”, letter C. “Other Information” (second paragraph).**

**Current:**

The proposal text font will be Times New Roman 12-point type on standard 8 ½ inch by 11-inch paper with margins of at least 1” at the top, bottom and both sides.

**Revised:**

The proposal text font (including graphs, charts and other informative visuals) will be Times New Roman 12-point type on standard 8 ½ inch by 11-inch paper with margins of at least 1” at the top, bottom and both sides.

**h. Section V. “Instructions to Prepare Quote and Evaluation Factors”, letter C. “Other Information” (fourth paragraph).**

**Current:**

**Cover Letter:** The Contractor’s company contact information (including Company name, Point of Contact, Email address, Phone / Fax, Address, GSA Schedule Contract Number, DUNS number, Business Size, and Teaming Partners or subcontractors) must be clearly indicated in a cover letter to be included as part of the contractor’s quote.

**Revised:**

**Cover Letter:** The Contractor’s company contact information (including Company name, Point of Contact, Email address, Phone / Fax, Address, GSA Schedule Contract Number, DUNS number, Business Size, and Teaming Partners or subcontractors) must be clearly indicated in a cover letter to be included as part of the contractor’s quote. It

should be noted that the Cover Letter is excluded from the page limitation for Volume I and does not have a page limit.

**i. Section V. “Instructions to Prepare Quote and Evaluation Factors”, letter C. “Other Information” (“Submission of Quotes”).**

**Current:**

**Submission of Quotes:**

Quotes are due by 12:00 p.m. Local Time (Washington, D.C.), on **March 19<sup>th</sup>, 2012**.  
Quotes shall be submitted via e-mail to the following email addresses:

Contracting Officer, Isabel Roman-Cogswell at (b)(6)  
Contract Specialist, Katya D. Cruz at (b)(6)

**Revised:**

**Submission of Quotes:**

Quotes are due by 12:00 p.m. Local Time (Washington, D.C.), on **March 26<sup>th</sup>, 2012**.  
Quotes shall be submitted via e-mail to the following email addresses:

Contracting Officer, Evelyn Tyndell at (b)(6)  
Contract Specialist, Katya D. Cruz at (b)(6)

3. Provide a copy of the updated Request for Quote (RFQ), Attachment II. See changes in
4. Change the Contracting Officer assigned to this contract, as follows:  

From: Isabel Roman-Cogswell  
To: Evelyn Tyndell
5. Change the due date for submission of quotes, as follows:  

From: March 19<sup>th</sup>, 2012  
To: March 26<sup>th</sup>, 2012
6. All other terms and conditions of this solicitation remain unchanged.

**-END OF AMENDMENT-**

## Attachment I

### Questions & Answers

**Q1. How are Key Personnel determined?**

A1. The vendor shall determine the appropriate staffing plan in relation to the requirements of the RFQ and then determine which positions should be key personnel and which non-key personnel. Key Personnel are considered essential to the work being performed, as stated in Section III, Supplemental Clause 33.0 HSAR 3052.215-70 "Key Personnel or Facilities". Please refer to Section V, "Instructions to Prepare Quote and Evaluation Factors", Subsection C, "Other Information" of this RFQ.

**Q2. How long does it take to obtain a security clearance for each employee? Will employees be permitted to work off-site until security clearances are granted?**

A2. As referenced under supplemental clause #28 "Performance/Delivery Period", the vetting process takes approximately eight (8) weeks, and the effective date of this contract will be approximately eight (8) weeks from the date the contract is awarded to allow sufficient time for the vetting process to be completed. The principal place of performance for this contract will be the Transportation Security Administration, as stated in Clause 29.0 "Place of Delivery and Performance", under Section III "Supplemental Clauses" of the RFQ.

**Q3. Is the Contractor required to show a price build up, based upon hours per labor category, for example?**

A3. Yes. As stated in Section V, "Instructions to Prepare the Quote and Evaluation Factors", SubSection A, "Source Selection Factors/Criteria Proposal Content" of the RFQ, the contractor's quote must identify the basis for the proposed prices in Section I "Pricing Schedule", including, as applicable, labor categories, labor rates, proposed hours, and any other item that constitute the rationale and supporting data for the prices proposed in Section I.

**Q4. What is the current contractor Level-of-Effort in terms of FTE or estimated labor hours currently being used for these efforts?**

A4. The current level of effort is proprietary information to the current vendor. However, the Government expects the vendor to determine the appropriate level-of-effort in relation to the requirements of the RFQ.

**Q5. Is the current level of effort being performed by the incumbent comparable to the level of effort prescribed by this RFQ?**

A5. Yes. However, vendors should use the RFQ as the basis for their quotes.

**Q6. Can the Government provide an explanation for the 6 month period of performance for the base effort vice one year?**

A6. It is the Government's right to structure the period of performance as determined to be appropriate.

**Q7. Can the Government provide an estimated level-of-effort in terms of either labor hours or estimated FTE for the Base period of performance? And for the initial 6 month Option?**

A7. See the answer to Q4.

**Q8. Page 6 of 50, Sec. E 1.0 – Can you please provide a complete list of all 20 non-ICOFR key processes?**

A8. List of non-ICOFR processes. Please note this list can change from year to year based on annual assessments that may identify new areas. Requirement E-1.0 "A-123 ICOFR and Non-ICOFR Support" under Section II of the RFQ has been modified accordingly to add the 20-non-ICOFR process listed below.

1. Civil Rights Claims Tracking
2. Transit Benefit Subsidy Program
3. Executive Car Service
4. Processing of Passenger Claims
5. Handling of Foreign Currency and Loose Change
6. Air Carrier Fee Audit process
7. Travel card closeouts for Separated Employees
8. Reconciliation of CIMS/FPD to CAS
9. Compliance monitoring of COR Responsibilities
10. Monitoring of the Scripts process
11. Configuration and Change management
12. Online Learning Center Monitoring
13. Voluntary Leave Transfer Program
14. Employee Garnishments Process
15. Processing of employee retirements
16. Trend Analysis of G/L accounts
17. Other Transactional Agreements
18. Monitoring process over accounting service provider

- 19. IT – Segregation of duties
- 20. Controls over Centrally Billed Accounts

**Q9. Page 7 of 50, Sec. E 1.1 (a) – Is a specific software package required for the process flow charts? If so what is the name and version of the software required.**

A9. The software required for the process flow charts is Visio. However, this software will be provided by the Government.

**Q10. Page 16 of 50, Sec. 4.0 – States that “the Program Manager shall work for the prime contractor.” Does the Government have any policies or requirements that favor a single entity vs. a teaming entity?**

A10. No.

**Q11. Page 27 of 50 This access mentions access to “Sensitive But Unclassified” information, but no mention of classified information. Will there be any requirements for contractor personnel to have security clearances? If so at what level?**

Q11. This contract will not contain classified information. However, a background investigation will be conducted to all contractor personnel to determine suitability, as referenced under Supplemental Clause #30 “HSAR 3052.204-71 “Contractor Employee Access-Alternate I”. The background investigation conducted is the standard suitability check.

**Q12. Page 27 of 50, Sec. 12.0 – Since our firm does not observe all 10 Federal holidays, may contractor personnel work at DHS/TSA facilities during Federal holidays?**

A12. As stated in Clause 12.0 “Observance of Legal Holidays and Other Absences”, while contractor personnel will have access to the federal worksite, the contractor may propose other solutions such as work at contractor’s facility or telework. Observance of such holidays by Government personnel shall not be a reason for the contractor to request holiday or premium compensation.

**Q13. Page 30 of 50, Section 21.0 – Will a list designating positions to be filled with “Key Personnel” be available before the vendor proposals are due?**

A13. See the answer to Q1.

**Q14. Page 7 of 50, Section E-1.1 - What is the current level of effort to update and assess key process narratives of 45-75 pages?**

A14. See the answer to Q4.

**Q15. Page 7 of 50, Section E-1.1 - Will the contractor have access to soft copies existing process narratives in their source format, i.e., MS Word, rather than PDF?**

A15. Yes, the contractor will have access to source format.

**Q16. Page 7 of 50, Section E-1.1 - Do the process narratives exist for all major key processes?**

A16. Yes, standard operation procedures exist for all major key processes.

**Q17. Page 7 of 50, Section E-1.1 - If not - which key process are missing narratives?**

A17. See the answer to Q16.

**Q18. Page 8 of 50, Section E-1.2 - What is the current level of effort to develop and/or update one Test of Operating Effectiveness (TOE)?**

A18. See the answer to Q4.

**Q19. Page 8 of 50, Section E-1.2 - Will the contractor have access to soft copies existing TOEs in their source format, i.e., MS Word, rather than PDF??**

A19. Yes, the contractor will have access to source format.

**Q20. Page 8 of 50, Section E-1.2 - Do the TOEs [Test of Operating Effectiveness] exist for all processes?**

A20. Yes, Tests of Operating Effectiveness exist for all processes.

**Q21. Page 8 of 50, Section E-1.2 - If not - which processes are missing TOEs?**

A21. See the answer to Q20. .

**Q22. Page 9 of 50, Section E-1.3 - What is the current level of effort to develop one Corrective Action Plan (CAP)?**

A22. See the answer to Q4.

**Q23. Page 9 of 50, Section E-1.3 - Will the contractor have access to soft copies existing CAPs in their source format, i.e., MS Word, rather than PDF??**

A23. Yes, the contractor will have access to source format.

**Q24. Page 10 of 50, Section E-1.4a - Please identify the other 18 TSA Offices (in addition to Human Capital and Acquisitions) that use the Internal Control Management and Evaluation Tool - aka GAO tool).**

A24. Due to reorganization changes, right now there are 18 but that can change:

1. Office of Acquisition
2. Office of Administrator
3. Office of Chief Counsel
4. Office of Finance and Administration
5. Office of Global Strategies
6. Office of Human Capital
7. Office of Information Technology
8. Office of Inspection
9. Office of Intelligence
10. Office of Law Enforcement/Federal Air Marshals Service
11. Office of Legislative Affairs
12. Office of Process Technology
13. Office of Professional Responsibility
14. Office of Security Operations
15. Office of Special Counselor
16. Office of Strategic Communications and Public Affairs
17. Transportation Sector Network Management
18. Transportation Threat Assessment and Credentialing

**Q25. Page 11 of 50, Section E-1.4b - What is the current level of effort to consolidate the responses from throughout the TSA organization and produce the Risk Assessment Tool?**

A25. See the answer to Q4.

**Q26. Page 12 of 50, Section E-1.4c - What is the current level of effort to complete the Annual Survey of OFM Management and Supporting Staff?**

A26. See the answer to Q4.

**Q27. Page 13 of 50, Section E-1.6 - Will the Government consider alternative survey methods?**

A27. Not at this time.

**Q28. Page 13 of 50, Section E-1.6 - Will the government accept recommendations from the contractor on which areas of control are tested?**

A28. The Government will consider recommendation from the contractor.

**Q29. Page 14 of 50, Section E-2.0 - Please identify the other disbursements areas in addition to payment to contractors for goods/services, travel, purchase card, and payroll.**

A29. The different types of disbursements that are identified are as follows:

- Payroll
- Travel
- Contracts (payments for goods and services)
- Grants
- Purchase Cards
- Federal Intra-Governmental payments
- Non-payment types of transactions such as reclassification entries.

Section II "Statement of Work" of the RFQ has been modified accordingly.

**Q30. Page 15 of 50, Section E-3.0.1&2 - What is the current level of effort to support the Management Control Objective Plan (MCOP)?**

A30. See the answer to Q4.

**Q31. Page 15 of 50, Section E-3.0.1&2 - Will the contractor have access to soft copies existing MCOPs in their source format, i.e., MS Word, rather than PDF??**

A31. Yes, the contractor will have access to source format.

**Q32. Page 16 of 50, Section E-3.0.3 - What is the current level of effort to support the Statement of Assurance Findings Report?**

A32. See the answer to Q4.

**Q33. Page 16 of 50, Section E-3.0.3- Will the contractor have access to the current soft copies existing Statement of Assurance Findings Report in their source format, i.e., MS Word, rather than PDF??**

A33. Yes, the contractor will have access to source format.

**Q34. If a Contractor or Contractor Teaming Partner had access to one or more of the systems enumerated in Clause 31.0 HSAR 3052.209-72 Organizational Conflict of Interest but did not have access to procurement sensitive information, nor advance knowledge of any projected or actual procurement sensitive information that the company may bid or respond to would the Government concur that there is not an organizational conflict of interest?**

A34. As specified under Clause HSAR3052.209-72, if an offeror with a potential or actual conflict of interest or unfair competitive advantage believes the conflict can be avoided, neutralized, or mitigated, the offeror shall submit a mitigation plan to the Government for review and approval.

**Q35. If a Contractor or Contractor teaming Partner had access to one or more of the systems enumerated in Clause 32.0 HSAR 3052.209-73 Limitation of Future Contracting (Jun 2006) but did not have access to procurement sensitive information, nor advance knowledge of any projected or actual procurement sensitive information that the company may bid or respond to, would that Contractor or Contractor Teaming Partner be restricted from future contracts at TSA based solely upon the prior access to one or more of the enumerated systems? This presumes that the condition under (c)(1) and (c)(2) remain in effect.**

A35. As specified under HSAR 3052.209-73, the restrictions upon future contracting include the development of specifications or statements of work that are to be incorporated into a solicitation. Additionally, in accordance with HSAR 3052.302-72, if an offeror with a potential or actual conflict of interest or unfair competitive advantage believes the conflict can be avoided, neutralized, or mitigated, the offeror shall submit a mitigation plan to the Government for review and approval. The Government will not exclude a contractor prior to receipt of quotes.

**Q36. Is there an incumbent?**

A36. Yes.

**Q37. Who is the incumbent?**

A37. Deva & Associates, 1901 Research Blvd Ste 410, Rockville MD 20850-6120.

**Q38. Does the incumbent have access to any of the systems enumerated in Clause 31.0 HSAR 3052.209-72 Organizational Conflict of Interest?**

Q38. Yes, the incumbent has access to the systems listed under Clause HSAR 3052.209-72 "Organizational Conflict of Interests"

**Q39. Is the incumbent ineligible to participate in the procurement due to an Organizational Conflict of Interest as described in Clause 31.0?**

A39. No, the incumbent is not ineligible due to an Organizational Conflict of Interest because they do not have access to, nor advance knowledge of, procurement sensitive information that would give them an unfair competitive advantage. .

**Q40. Clause 29.0 Place of Delivery and Performance specifies that Contract Performance will be on-site at TSA. Section I – Pricing Schedule, includes a note that indicates that the Government has not yet determined whether the contractor will perform on-site. Please explain.**

A40. As stated under Section III, Clause 29.0 "Place of Delivery and Performance", TSA will be the primary place of performance. Section III of the RFQ has been modified accordingly.

**Q41. If the Government determines that the contractor will perform at the Contractor Site, will the Government provide secure remote access to the systems the Contractor will be testing and need access to in the course of contract performance?**

A41. As stated under Clause 29.0 "Place of Delivery and Performance", TSA will be the primary place of performance. However, as stated in Section 4.0 "Government Furnished Supplies and Equipment", the Government will provide the contractor with the necessary work space, computer stations, and materials required to support the services required in the Statement of Work.

**Q42. Will the Government furnish equipment such as laptops and access hardware?**

A42. Yes, the contractor will perform on-site at TSA. In accordance with Clause 4.0 "Government Furnished Supplies and Equipment", the Government will provide the necessary supplies and equipment to support the services required under this contract.

**Q43. Since 8 to 13 ICOFR processes and 15 to 20 non-ICOFR processes are required to be tested each year, will the government require only those processes selected to have updated TOEs each year. (See first sentence of Section E-1.2 describing that ALL TOEs are updated.)**

A43. Yes, the Government requires updated TOEs for all the ICOFR and non-ICOFR processes that are tested each year

**Q44. Which of the process narrative listed in section E-1.1 is 200 pages in length?**

A44. Property, Plant& Equipment, also known as “Asset Management”.

**Q45. Does TSA have any financial systems in addition to USCG FINCEN, FedTraveler, and HR Access that require documenting and testing, and if so, what are they?**

A45. The main systems are: Core Accounting System (CAS), Markview, Sunflower, Finance and Procurement Desktop (FPD) , and Web-based Time and Attendance system (WEBTA), among others.

**Q46. If there are additional systems, have they received recent Security Assessment & Authorization (SA&A) reviews? Also referred to as Certification and Accreditation (C&A) reviews.**

A46. TSA is actively assessing whether a C&A has been done or has expired. C&A reviews are completed annually for those systems. The C&A reviews for these systems are currently being performed. However, it should be noted that contractors will not be involved in the C&A process per se. If a system does not have a current C&A, the TSA will notify the company.

**Q47. In Section E-1.6, the second paragraph states, “For service providers that have an independent auditor, perform audits in accordance with SSAE #16, and review...” Is it TSA’s intent to have the awardee perform an SSAE 16 audit? If so, for which system(s)?**

A47. No. If a SSAE #16 is performed, the contractor will only review the results and provide recommendations on any follow-up needed. If a SSAE #16 is not performed, the vendor shall develop a plan for testing to obtain a level of assurance on the adequacy of control of the service provider.

**Q48. In section E-1.6, par c., it states that some HRAccess plans have been developed and only require update. How many plans are in this category?**

A48. Currently, there are approximately twelve plans that have been developed and only require updates at this time. There is not an HRAccess plan to develop, although if there are changes or additions to HRAccess, additional plans to test the controls may be necessary.

**Q49. Will all legacy process documentation, control matrices, etc., be made available to the contractor in their source file format (non-PDF) for the contractor to leverage and update?**

A49. Yes, the contractor will have access to source format.

**Q50. In Section V, Section A, on page 45, the asterisk note in the middle column of the table states that, “Resumes are limited to 2 pages per key personnel and are excluded from the 25 page limitation requirement.” The far right column of the same table states a 15 page limit. Section C on page 47 states the “Page Limitation: Volume I-Page limitation is not to exceed 10 pages.” What is the page limit for Volume I, and what is included/excluded?**

A50. As stated under Section V. “Instructions to Prepare Quote and Evaluation Factors”, under Subsection A. “Source Selection Factor/Criteria Proposal Content”, the page limit for Volume I is 15 pages. Resumes for Key Personnel and Past Performance information are excluded from this limit. Section V of the RFQ has been modified accordingly.

**Q51. Can tables, charts, graphics, and illustrations be provided in any legible font?**

A51. As stated under Part C “Other information” of Section V “Instructions to Prepare Quote and Evaluation Factors” of this RFQ, the font for the proposal (including graphs, charts, and other informative visuals) shall be Times New Roman 12-point type. The RFQ has been modified accordingly.

**Q52. Is this a new project or is there an incumbent?**

A52. See the answers to Q36 and Q37.

**Q53. If so, what was the previous level of effort.**

A53. See the answer to Q4.

**Q54. What was the previous spend?**

A54. The previous contract value was approximately \$4.4 Million for a period of 44 months.

**Q55. The pricing schedule tables at RFQ pages 3-5, require that offerors submit both ‘Government Site’ and ‘Contractor Site’ price quotes. However, at RFQ page 24, Section 4.0, Government Furnished Supplies and Equipment, indicates “The TSA will provide the contractor with the necessary work space, computer stations, and materials required to support the services described in the Statement of Work.” Further, at RFQ page 38, Section 29.0, Place of Delivery and Performance, indicates that all contract performance shall take place at TSA Headquarters. Therefore, if all work is at TSA Headquarters and in TSA-provided work space, why is there a requirement to propose ‘Contractor Site’ price quotes. Can TSA remove this requirement?**

A55. See the answer to Q40.

**Q56. Please clarify the page limitations for Volume I – Technical:**

**a. The table on RFQ page 45, indicates in the ‘Page Limits’ column that there is a 15-page limit. However, in the middle ‘Content’ column, under Key Personnel there is an indication that resumes are “excluded from the 25 page limitation requirement.” Also, on RFQ page 47 under ‘Other Information’ the indication is that: “Volume I – Page limitation is not to exceed 10 pages, excluding submission of resumes and Past Performance Information requested.” Therefore, please clarify if the page limitation for Volume I – Technical is 10 pages, 15 pages, or 25 pages?**

A56. (a) See the answer to Q50.

**b. Is the Past Performance Information included in the page count or in addition to the page count?**

A56. (b) See the answer to Q50.

**c. RFQ page 47 indicates a Cover Letter shall be submitted as part of the contractor’s quote. Is the Cover Letter included in the page count or in addition to the page count? Also, is there a page limit to the Cover Letter itself?**

A56. (c) As stated under Section V “Instructions to Prepare Quote and Evaluation Factors”, under letter C “Other Information”, the Cover Letter is excluded from the page limit and it does not have a page limit. It should be noted that one (1) cover sheet and one (1) table of contents are allowed in addition to the 15 page limit.

**Q57. With regard to resumes: a. Section V. Instructions to Prepare Quote, RFQ Page 46, Resumes of Key Personnel, requires that the quoter shall identify each key person by name and by labor category. Resumes are required for key personnel. Are all proposed personnel deemed “Key Personnel”? b. Please clarify whether resumes are required to be submitted for all personnel?**

A57. No, see answer to Q1.

**Q58. RFQ page 47 indicates that “The proposal text font will be Times New Roman 12-point type.” Can the text found in charts, tables or graphs be presented in other than, or slightly smaller than, Times New Roman 12-point type?**

A58. See the answer to Q51.

**Q59. Volume II – Contents, Item 5, on RFQ Page 47, requires prime contractor signature on SF1449. However, SF1449 has not been provided. Please provide.**

A59. Standard Form 1449 has been added to the Request for Quote. Please see Attachment II of this Amendment.

**Q60. The work under this RFQ is to be awarded under FABS Schedule SIN 520-11: Accounting Services. However, SIN 520-13: Complementary Financial Management Services could be a more appropriate SIN for the scope of services contemplated under this RFQ.**

A60. This requirement is being competed under Federal Supply Schedule 520-11 “Financial and Business Solutions”, as it was determined to be the appropriate SIN.

**Q61. Page 45, Section V. A. Source Selection Factors/Criteria Proposal Content - Can TSA please clarify the page limitation for the Technical Proposal? The Page Limits section of the table indicates 15 pages, the \* under Content indicates that resumes are excluded from the 25 page limit and Section C. Other Information indicates that there is a 10 Page Limit associated with Volume I.**

A61. See the answer to Q50.

**Q62. Page 45, Section V. A Source Selection Factors/Criteria Proposal Content – Can TSA please clarify whether Past Performance is included within the technical proposal page limitation? Our preference is that past performance not be included under the page**

**limitation as including teaming partners will unintentionally limit the number of pages the offerer has to respond to the technical portion of the requirement.**

A62. See the answer to Q50.

**Q63. Is there a functional reason why TSA has elected to break the first two options into 6 month periods while the remaining options are on a 12 month basis?**

A63. See the answer to Q6.

**Q64. Are TSA's flowcharts currently maintained in Visio?**

A64. Yes. The software will be provided by the Government.

**Q65. Page 47, Volume II Contents – Can TSA please clarify whether it is only expecting to see the pricing schedules identified on pages 3 – 5 of the RFP here or if additional schedules showing labor rates and hours are also required?**

A65. See the answer to Q3.

**Q66. Are Contract Team Arrangements (CTA) allowed?**

A66. Yes. As stated in Section V "Instructions to Prepare Quote and Evaluation Factors", under Subsection A "Source Selection Factors/Criteria Proposal Content", if the quoter proposes teaming partner(s) or subcontractor(s) in response to this RFQ, the quoter must identify the employer of the proposed key personnel. See Page 46 of the RFQ.

**-END OF ATTACHMENT I-**