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*SECTION D - PACKAGING AND MARKING*

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**D.1. PACKAGING AND MARKING**

All materials shipped or mailed under this contract shall be afforded the degree of preservation, packaging, and packing required to prevent deterioration and damage due to the hazards to which they may be subjected during shipment, handling, and storage. All preservation, packaging, and packing for shipment or mailing shall be in accordance with good commercial practice and adequate to ensure acceptance by common carrier and safe transportation at the most economical rate(s).

**D.2. DELIVERABLES MARKING**

The Contractor shall mark all deliverables with the contract number; title of the deliverable; date due; and preparer's name. In addition, when applicable, the Contractor shall mark the deliverables with the task order name/number; INS Task Manager name; and the document status as a draft, final, or update.

Additional deliverables marking information will be provided on the task orders issued when applicable. For example, for the shipment of prototype and pilot systems, the INS will provide specific packaging and delivery instructions as may be required to ensure the safe shipment of the system.

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*SECTION E - INSPECTION AND ACCEPTANCE*

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**E.1. CLAUSES INCORPORATED BY REFERENCE**

The following clauses are incorporated by reference in accordance with the provisions of FAR Clause 52.252-2, Clauses Incorporated by Reference (JUN 1988), contained in Section I of this contract.

<i>FAR Reference</i>	<i>Title</i>	<i>Date</i>
52.246-4	Inspection of Services - Fixed Price	AUG 1996
52.246-5	Inspection of Services - Cost Reimbursement	APR 1984
52.246-6	Inspection - Time-And-Material and Labor-Hour	JAN 1986

**E.2. INSPECTION AND ACCEPTANCE**

The Contracting Officer's Technical Representative (COTR) will inspect and accept the supplies and/or services to be provided under this contract.

Inspection and acceptance will be performed as stated in the issued task order(s) and at the time(s) and location(s) identified in the task order(s).

Deliverables are assumed accepted unless rejected, in writing, by the Contracting Officer within 30 calendar days of receipt unless stated differently in a task order. Those deliverables requiring acceptance testing, as described in the task order, will have an acceptance/rejection period of ninety (90) calendar days from receipt of the deliverable, unless the period is stated otherwise in the task order.

Rejection of deliverables will be in writing from the Contracting Officer and will be received by the Contractor within the acceptance/rejection period, as described above, unless stated otherwise in the task order. If a deliverable is rejected, the Contractor shall make all appropriate corrections within 14 calendar days from receipt of written notification and will resubmit to the Contracting Officer and the COTR for approval. If corrections are estimated to require more than 14 calendar days, the Contractor shall deliver a corrective action plan within seven (7) calendar days from receipt of written notifications of rejection. The plan shall clearly describe the corrective actions to be taken and the proposed schedule for accomplishing the actions. When the same deliverable is rejected three (3) times, the INS may terminate the particular task order for default.

### **E.2.1 Inspection System - Subcontract**

Per FAR 46.105, the Contractor shall hold all subcontractors to the same standards of performance as required for the Contractor's performance under this contract.

### **E.3. STANDARDS OF PERFORMANCE**

All work activities performed and products delivered under this contract shall adhere to the INS principles, standards, and procedures in effect at the time the work is assigned. Currently, the INS Systems Development Life Cycle (SDLC) Manual sets the standards for preparation and submittal of systems concepts and design documents. The SDLC is a dynamic document. The STARS Performance Contractor shall support the continued development and improvement of the SDLC by providing recommendations for SDLC enhancements and changes in the INS information systems environment, including the methodologies and standards employed during the SDLC phases. The use of case tools, prototyping, rapid application development, and joint application development techniques is encouraged to complement or replace phases of the SDLC, provided that OIRM's written approval is obtained prior to the use of such techniques.

### **E.4. STARS PERFORMANCE CONTRACT PERFORMANCE MEASURES**

INS will evaluate contract level performance using 1) aggregate attributes of performance at the task order level, and 2) contract management and administration performance.

There will be no specific incentives at the contract level established at this time. However, INS will assess and monitor the following performance measures.

#### **E.4.1 General Task Order Performance Measures**

The table below presents the measures that will be assessed at the contract level to evaluate Contractor performance of task orders "in aggregate". These measures are assessed at the task order level initially, and then summed or averaged to produce an aggregate across all task orders on the contract.

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*SECTION E - INSPECTION AND ACCEPTANCE*

<i>Measure</i>	<i>Performance Goal (PG)</i>	<i>Qualifiers</i>	<i>Contract Types</i>
TO Compete Ratio (TOCR)	75%	For viable proposals, on competed tasks.	Performance
TO Response Time (TORT)	10 Days	From receipt of last required INS SOW input.	All
TO Within Cost Ratio (TOWC)	0% Over cost	After adjustments to cost estimate from INS changes in scope or requirements, for other than FFP TOs	All
TO Within Schedule Ratio (TOWS)	Schedule + 0%	After adjustments to schedule from INS changes in scope or requirements.	All
Security Clearance Failure Rate (SCFR)	10%	None.	All

**Definitions:**

**Task Order Compete Ratio (TOCR):** The percentage of times each Performance Contractor submits a viable proposal for a competitive TO.

**TO Response Time (TORT):** The number of business days taken to submit viable proposals for TOs, on average.

**TO Within Cost (TOWC):** The percentage variation in original cost estimates for TOs, on average.

**TO Within Schedule (TOWS):** The percentage of days past or ahead of the original schedule for task order completion or delivery.

**Security Clearance Failure Rate (SCFR):** The percentage of time that personnel screened by the Contractor and submitted to INS, fail to obtain the requested security clearance.

**E.4.2 Contract Management and Administration Performance Measures**

The table below presents the measures that will be assessed at the contract level to evaluate Contractor management and administration of the contract.

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<i>Measure</i>	<i>Performance Goal (PG)</i>	<i>Qualifiers</i>	<i>Contract Types</i>
Invoice Timeliness (IT)	30 Days	Excluding where the INS allows for time it deems is clearly due to no fault of the Contractor.	All
Invoice Accuracy (IA)	1 Error	Excluding where the INS allows for those it deems are clearly due to no fault of the Contractor.	All
Invoice Validity (IV)	1%	Excluding where the INS allows for corrections it deems are clearly due to no fault of the Contractor.	All
PM Ratio (PMR)	50%	PM must be objectively measurable and have a standard and quantified incentive	SM/I and Performance for other than Fixed Price TOs
PI Ratio (PIR)	2.5%	PM must be objectively measurable and have a standard and quantified incentive	SM/I
Contract Deliverables Timeliness (CDT)	15	Excluding where the INS allows for extra time it deems is clearly due to no fault of the Contractor.	All
Financial Report Timeliness (FRT)	2	Excluding where the INS allows for extra time it deems is clearly due to no fault of the Contractor.	All
Staffing From Within Ratio (SFWR)	50%	Existing employee for at least six months.	All
Staff Retention (SR)	12, 18, and 24 months	Categorized by Clerical, Professional, and Managerial	All

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SECTION E - INSPECTION AND ACCEPTANCE

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**Definitions:**

**Performance Measurement Ratio (PMR):** The percentage of TOs for which at least one significant PM is established.

**Performance Incentive Ratio (PIR):** The percentage of the dollar value of TOs that is rewarded based on defined performance incentives.

**Contract Deliverables Within Cost (CDWC):** The percentage variation in original cost estimates for contract deliverables, on average.

**Contract Deliverables Timeliness (CDT):** The average number of days past the original schedule for contract deliverables.

**Financial Report Timeliness (FRT):** The average number of days past or ahead of the original schedule for Financial Reports.

**Invoice Timeliness (IT):** The number of days past the end of the period before submitting invoices to the INS, on average.

**Invoice Accuracy (IA):** The average number of errors in (changes to) the originally submitted invoice.

**Invoice Validity (IV):** The average amount (in absolute value) of dollar changes to the original invoices.

**Staffing From Within Ratio (SFWR):** The percentage of new staffing requirements met from existing company employee base.

**Staff Retention (SR):** The average number of months on the contract for current STARS contract employees.

*(End of Section)*



SECTION F - DELIVERIES OR PERFORMANCE

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SECTION F - DELIVERIES OR PERFORMANCE

**F.1. CLAUSES INCORPORATED BY REFERENCE**

The following clauses are incorporated by reference in accordance with the provisions of FAR 52.252-2, Clauses Incorporated by Reference (JUN 1988), contained in Section I of this contract.

<i>FAR Reference</i>	<i>Title</i>	<i>Date</i>
52.242-15	Stop-Work Order- Alternate I	AUG 1989
52.247-34	F.O.B. Destination	NOV 1991

**F.2. PERIOD OF PERFORMANCE**

The period of performance for each of the STARS Contracts shall commence upon date of contract award and shall remain in effect as set forth below:

Year 1 - Base Period	12 months
Year 2 - Option 1	12 months
Year 3 - Option 2	12 months
Year 4 - Option 3	12 months
Year 5 - Option 4	12 months

The Award Fee evaluation periods for the Performance Contracts shall be specified in the cost-plus-award-fee task orders issued by the Contracting Officer. For the Management and Administration (M&A) Task Order, the award fee evaluations shall be conducted on a semi-annual basis.

**F.3. TRANSPORTATION**

All shipments to the Governments site(s) shall be made at Contractor expense.

**F.4. REQUIRED TIME - PLACE OF DELIVERY AND PERFORMANCE**

The required time and place of delivery of products or provision of services to be provided under these contracts will be specified in each task order. If a task order fails to identify the required time and place of delivery, then the Contractor shall promptly notify the Contracting Officer and request due dates and/or destinations. All products and services will be ordered through the issuance of written task orders signed by the Contracting Officer.

**F.5. SCHEDULE AND DESTINATION FOR CONTRACT-LEVEL PLANS AND REPORTS**

The following sections identify the contract-level plans and reports required for all STARS Contractors and those that are specific to the category of contract awarded (i.e., SM/I, Performance, and IV&V). All documents shall be marked in accordance with Section D of the contract.

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- ✪ Three (3) camera-ready copies of each deliverable, two (2) copies to the Contracting Officer's Technical Representative (COTR) and one (1) copy to the Contracting Officer.
- ✪ Two copies of the narrative reports on 3.5" floppy disks or CD-ROM in Microsoft Word format to the COTR.
- ✪ Two copies of all financial reports on 3.5" floppy disk or CD-ROM in Microsoft Excel format to the COTR.

Contractors are reminded that the OIRM Infrastructure Project currently provides the Microsoft Office Professional software suite with each workstation installed. Therefore, OIRM requires that all deliverables submitted under the STARS contracts be formatted and prepared using Microsoft Office Professional software products. If the Contractor utilizes other software for the preparation of these plans and reports then they shall bear the responsibility for converting the documents to Microsoft Office readable products.

**F.5.1 Requirements for Contract-Level Plans**

The following table identifies the contract-level deliverables that are applicable to all of the STARS Contractors, and an event-based update schedule for those deliverables. Wherever INS determines that specific events requiring updates are not relevant for a particular contractor it may waive that update requirement.

<i>Required Update Schedule for Contractor Deliverables</i>									
	Contract Mgmt Plan	Config Mgmt Plan	Employee Training Plan	Quality Assurance Plan	Security Mgmt Plan	Subcontract Mgmt Plan	Conflict of Interest Avoidance Plan	Documentation Plan	Performance Measurement Plan
<i>Event-Based Updates</i>									
<i>Contract Award</i>	30 DACA	30 DACA	30 DACA	30 DACA	30 DACA	30 DACA	30 DACA	30 DACA	30 DACA
<i>Major TO Award</i>	15 Days*		15 Days*	15 Days*					15 Days*
<i>Major TO Completion</i>	15 Days*							15 Days*	
<i>Significant Organizational Change (e.g., merger)</i>	30 Days*			30 Days*	30 Days*	30 Days*	30 Days*		
<i>Award Fee Report</i>									
<i>Change of Major Subcontractor</i>	15 Days*	15 Days*		15 Days*	15 Days*	15 Days*	15 Days*		15 Days*
<i>Change of Key or Program Management Personnel</i>	15 Days*		15 Days*	15 Days*	15 Days*				
<i>Security Breach (incident)</i>	10 Days*				10 Days*		10 Days*		
<i>Change of Facilities</i>					15 Days*				
<i>GFP Loss</i>				15 Days*					

DACA = Days after contract award

DBR = Days before report.

DARP = Days after reporting period

\* Where the event is deemed to be not applicable or has no impact on the deliverable, the requirement to update can be waived by INS.

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This list of events update requirements is not meant to be exhaustive, and additional contract-level deliverables may be required and will be identified via task orders. Contract-level deliverables that are specific Performance Contractors are identified below.

**F.5.1.1 Contract Management Plan**

The STARS Performance Contractor shall implement the Contract Management Plan contained in their winning proposal and shall maintain the plan current throughout the life of the contract. The Contract Management Plan (submitted after contract award) shall specifically identify and describe the organizations and individuals (by name, title, location, and telephone number) responsible for the overall management and administration of the contract. The plan shall conform to the requirements of Section C and shall fully describe the Contractor's policies and procedures for the effective management of the contract.

**F.5.1.2 Configuration Management Plan**

The Performance Contractor shall each implement the Configuration Management Plan contained in their winning proposal and shall maintain the plan current throughout the life of the contract. The Contractor understands that configuration management policies and procedures are apt to change to adapt to the INS SDLC and the new processes and procedures that may be implemented by OIRM. Therefore, the Configuration Management Plan shall be updated as required to address the latest policies and procedures in effect for the STARS Program. The plan shall specifically identify the organizations and the individuals (by name, title, location, and telephone number) responsible for configuration management.

**F.5.1.3 Employee Training Plan**

As a part of their Management Proposal, each STARS Contractor was required to submit an Employee Training Plan that describes the company's procedures for employee development and training to ensure that all personnel are fully qualified to perform the tasks required by the contract and maintain the level of expertise, professionalism, and integrity that is expected of Contractor personnel engaged in the performance of Government contracts. The Employee Training Plan shall be updated to reflect the categories and labor assigned to performance of the contract and the specific training planned for those categories of labor. The plan shall identify the organization and individuals (by name, title, location, and telephone number) responsible for coordinating and providing training, the types of training provided, and the frequency for the training.

**F.5.1.4 Quality Assurance Plan**

The Contractor shall implement, and maintain the Quality Assurance Plan (QAP) provided with their successful proposal. The plan shall identify the management techniques and controls that the Contractor will employ for the performance of management and technical reviews and audits to validate the quality of the work

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performed by the Contractor's personnel and subcontractor or teaming Contractor personnel. The QAP shall specifically address procedures and processes unique to the Performance Contract. The plan shall specifically identify the individuals (by name, title, location, and telephone numbers) and organizations responsible for the implementation and management of quality assurance/control activities.

### ***F.5.1.5 Security Management Plan***

The Contractor shall implement, and maintain a Security Management Plan (SMP) submitted with their winning proposal to ensure the maintenance of a comprehensive security program that ensures the integrity of the systems and/or products developed under the contract and the safeguarding of Government-furnished information and products. The Contractor shall ensure that the SMP meets all requirements of INS security standards. The SMP shall address all aspects of contract performance including personnel, facilities and equipment, and subcontractor security and surveillance plans. The plan shall also specifically address the procedures for obtaining facility and personnel clearances. The plan shall specifically identify the individual assigned the role of "security officer" and provide the individual's title, location, and telephone number. If the "security officer" has other assigned duties in addition to those associated with security management, then the Contractor shall discuss those duties and identify the percentage of the individual's time dedicated to contract security functions.

### ***F.5.1.6 Subcontract Management Plan***

The Contractor shall implement, and maintain the Subcontract Management Plan provided with their successful proposal. The plan shall specifically describe the policies and procedures for subcontract management, including the criteria used to evaluate the degree of compliance with performance, cost, competition, and schedule objectives. Specific information regarding the subcontractors included in the Contractor's winning proposal shall be included. The Subcontract Management Plan shall specifically discuss the strategies and plans implemented to ensure compliance with all applicable the approved Small and Small Disadvantaged Business Plan and applicable reporting requirements contained in the contract. The plan shall specifically identify the organization and individuals (by name, title, location, and telephone number) responsible for subcontract oversight and management. The Subcontract Management Plan for the Performance Contractor shall specifically identify the methodology and approach used to ensure compliance with the **10%** set-aside they have committed to achieving on the Performance Contract.

### ***F.5.1.7 Conflict of Interest Avoidance Plan***

The Contractor shall implement, and maintain a Conflict of Interest Avoidance Plan where the Contractor shall discuss any potential or known conflicts with existing efforts being performed under the contracts or subcontracts under their purview and shall address the Contractor's plan for ensuring avoidance of conflict of interest under this contract. The plan shall include a brief narrative of how future conflict of interest

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situations would be resolved so as to ensure that there is no interruption in the work performed under the contract. The plan shall specifically identify the organization and individuals (by name, title, location, and telephone number) responsible for the plan and review of potential conflict of interest situations. The STARS Performance Contractor shall specifically address each of the functional areas described in Section C. The Performance Contractor shall update this plan as task orders are awarded to address the specific work assignments of the task order.

### ***F.5.1.8 Documentation Plan***

The Contractor shall implement, and maintain the Documentation Plan submitted with their successful proposal. The plan shall meet the requirements of Section C and shall be unique to the particular contract the Contractor is performing. The organization and individuals responsible for the implementation and maintenance of the plan shall be specifically identified by name, title, location, and telephone number. In addition, the plan shall fully describe any standards, policies and procedures in place or scheduled to be put in place to meet the requirements of the STARS Performance Contract.

### ***F.5.1.9 Contractor Performance Measurement Plan***

Section H of this contract identifies the Performance Measures INS intends to use to objectively measure contract performance. These objective measures are in addition to any task order level performance measures the INS and the Contractor may decide upon during contract performance. The Contractor shall submit a Performance Measurement Plan consistent with the one submitted with their winning proposal that addresses the data collection processes and procedures that will be used to address the performance measures contained in Section H and any additional performance measures contained in the Performance Measurement Plan submitted with the proposal. The organization and individuals responsible for the development of performance measurement reports shall be identified by name, title, location, and telephone numbers.

### **F.5.2 Additional Requirements for Contract-Level Reports for the Performance Contractors**

The following table lists the contract-level reports that each of the Performance Contractors must submit in addition to the contract-level plans identified earlier in this section. Each Performance Contractor is required to develop, implement, and update the following reports during performance of the contract. This list is not all inclusive; the task orders may specify the submission of additional reports.

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<b>Report</b>	<b>Frequency</b>	<b>Due Date</b>
Task Order Progress Report	Monthly	15 DARP
Executive-Management Level Progress Report	Monthly	15 DARP
Task Order Financial Analysis Status Report	Monthly, Quarterly, Annually	15 DARP
Contract Financial Analysis Report	Monthly, Quarterly, Annually	15 DARP
Executive Management Level Financial Report	Monthly, Quarterly, Annually	15 DARP
Self-Evaluation Report	Semi-Annually	As indicated in Task Order

DARP - Day After Report Period

The following sections provide the financial analysis status reporting and SER requirements for the Performance Contractors. All financial reports shall be consistent with the Performance Contractor's submitted invoice(s) for the reporting period.

**F.5.2.1 Monthly Progress Reports**

Each Performance Contractor shall provide two monthly progress reports – a Task Order Progress Report, which reports the progress of each task order, and a Management-Level Progress Report, which reports the technical programs and management and administration of the contract as a whole.

**F.5.2.1.1 Task Order Progress Report**

Each Performance Contractor shall develop a monthly progress report that describes the Contractor's technical performance. The monthly progress report shall contain for each task order:

- ✦ Summary of work assigned.
- ✦ Summary of work accomplished, in a logical and consistent format for easy reference and comprehension (the Contractor may include supporting graphics as appropriate).
- ✦ Summary of delivered products and meetings attended.
- ✦ Summary of equipment and materials purchased.
- ✦ Summary of technical and contractual directions from the INS and pursuant actions taken by the Contractor.
- ✦ Identification of current technical problems that may impede progress or jeopardize quality and the proposed or implemented corrective actions.

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- ★ Identification of current management and administrative problems and the proposed or implemented corrective actions.
- ★ A discussion of any significant quality assurance problems with recommended solutions and remedial or preventive actions, including failure trends and failure problem area identification/analysis.
- ★ Technical issues that need to be addressed by the INS.
- ★ Contractual issues that need to be addressed by the INS.
- ★ Lessons learned.
- ★ Cost savings and quality improvement recommendations.
- ★ Communication and coordination activities within the Contractor and the INS.
- ★ A discussion of the remaining work on the task with particular emphasis on anticipated work for the next reporting period including an estimate of the percentage of the project that has been completed.
- ★ Other information as requested in the task order.
- ★ Report on software quality and productivity metrics for software development and software maintenance tasks including graphical representation of data, as appropriate.

### *F.5.2.1.2 Management-Level Monthly Progress Report*

Each Performance Contractor shall provide a monthly management-level progress report for use by INS senior management to detail the progress of the Contractor's efforts of the performance of the contract. The report shall be a high-level overview of technical progress of the contract with specific references to the Contractor's task orders. It should be approximately two to three pages in length. The report shall contain a discussion of the following items on a contract-level basis:

- ★ Technical, management and administration, quality assurance, and contractual problems that affect contract performance including any corrective actions.
- ★ Cost savings and quality improvement recommendations.
- ★ Remaining work with particular emphasis on anticipated work for the next reporting period.
- ★ A summary of the software quality and productivity metrics for software development and maintenance task orders.

### *F.5.2.2 Task Order Financial Analysis Report*

Each Performance Contractor shall develop a monthly, quarterly, and annual financial analysis report for each task order issued under its contract. The report shall describe the financial condition of each task order. At a minimum, the report shall include the following data for the reporting period and inception to date:



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- ✧ Total hours expended by labor category, work break-down structure (WBS)<sup>1</sup>, sub-task, and task order for all task orders other than firm-fixed priced (FFP) task orders
- ✧ Breakdown of FTEs and hours by labor category, WBS, sub-task, and task order for all task orders other than FFP task orders
- ✧ Total cost incurred by labor category, WBS, sub-task, and task order for all task orders other than FFP task orders
- ✧ Indirect costs by labor category, WBS, sub-task, and task order for cost reimbursable task orders only
- ✧ Breakdown of ODCs by materials, supplies, travel, hardware, and software for each sub-task, WBS, and task order for all task orders other than FFP task orders
- ✧ Total cost ceiling for each sub-task and task order for cost reimbursable task orders only
- ✧ Total funding to date for each sub-task and task order
- ✧ Remaining cost ceiling for each sub-task and task order for cost reimbursable only
- ✧ Remaining funding for each sub-task and task order
- ✧ Percentage of the work completed including a discussion of the rationale used to develop the percentage and the tasks and deliverables completed in the reporting period, to date, for the next reporting period, and through the end of the task order for FFP task orders only

### ***F.5.2.3 Contract Financial Analysis Report***

Each Performance Contractor shall develop a monthly, quarterly, and annual financial analysis report for its contract. The report shall describe the financial condition of the contract. At a minimum, the report shall include the following information for the reporting period and inception to date:

- ✧ A summary of the task order financial analysis report
- ✧ A matrix that identifies the hours worked by FTE for each task order for all orders other than FFP orders
- ✧ A weighted average labor rate for each labor category for cost reimbursable orders only
- ✧ An analysis of the cost ceilings and total cost incurred for each task order as applicable

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<sup>1</sup> At a minimum the WBS will include Development, Implementation, Operation, and Maintenance tasks.

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In addition to the items identified above, each Contractor shall provide progress status for its contract. The progress status shall summarize the progress status for each task order.

Each Contractor shall provide this report for the entire contract as well as broken out by the prime Contractor and each subcontractor.

### **F.5.2.4 Executive Management Level Financial Report**

Each Performance Contractor shall develop a high-level monthly, quarterly, and annual financial analysis report for use by INS senior management. This report shall be a high-level summary of the each Contractor's Financial Analysis Report. It shall include a matrix that identifies for each task order and sub-task the funding obligated, funding remaining, cost incurred for the reporting period, cost incurred to date, and the cost ceiling for all orders other than FFP orders. For FFP orders, the matrix shall include data for only funding obligated and funding remaining. Furthermore, each Contractor shall provide at a high level the progress status for the entire contract.

### **F.5.2.5 Self-Evaluation Report (SER)**

Each Performance Contractor shall develop SERs in accordance with Section H of the contract. SERs are required only for Cost Plus Award Fee task orders.

## **F.6. CONTRACT DELIVERABLES**

In addition to providing the services specified by task orders under this contract, the IV&V Contractor will be required to submit prototype hardware and software products, test and evaluation equipment, and other development products. The Contractor shall ensure that all products are delivered with all associated components necessary to render the product operational and with complete sets of documentation, instructions, or other literature that may be specified in task orders for INS use.

## **F.7. WAIVER OF DELIVERY SCHEDULE**

None of the following shall be regarded as an extension, waiver, or abandonment of the delivery schedule or a waiver of the Government's right to terminate for default:

- ✱ Delay by the Government in terminating for default
- ✱ Acceptance of delinquent deliveries
- ✱ Acceptance or approval of samples submitted either after default in delivery or in sufficient time for the Contractor to meet the delivery schedule

Any assistance rendered to the Contractor on this contract or acceptance by the Government of delinquent goods or services hereunder will be solely for the purpose of mitigating damages and is not to be construed as an intention on the part of the Government to condone any delinquency, or as a waiver of any rights the Government may have under this contract.

**SECTION F - DELIVERIES OR PERFORMANCE**

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**F.8. NOTICE TO THE GOVERNMENT OF DELAYS**

In the event the Contractor encounters difficulty in meeting performance requirements, or when the Contractor anticipates difficulty in complying with the contract delivery schedule or completion date, or whenever the Contractor has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this contract, the Contractor shall immediately notify the Contracting Officer and the COTR, in writing, giving pertinent details; provided. However, that this data shall be informational only in character and that this provision shall not be construed as a waiver by the Government of any delivery schedule or date, or any rights or remedies provided by law or under this contract.

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**G.1. GOVERNMENT FURNISHED PROPERTY (GFP)**

The Government reserves the right to furnish property to the Contractor for use under the contract, when it determines that it is in the Government's best interests to do so. Notwithstanding the Government's decision to furnish such property, the Contractor shall have the capability to furnish all materials and equipment necessary for the performance of the work required under this contract, including prototype development (which includes development of proof-of-concept prototypes, pilot testing, initial operating capability testing, etc.), for the test, evaluation, and demonstration of products developed under this contract.

All GFP shall be managed and maintained in accordance with the GFP clauses specified elsewhere in this contract.

**G.2. INVOICE REQUIREMENTS**

To constitute a proper invoice, the following information and/or attached documentation shall be included with all invoices submitted under the STARS Contracts:

- ✦ Name and address of Contractor
- ✦ Invoice date
- ✦ Contract Number
- ✦ Task Order Number and Title/Name
- ✦ Period covered under the invoice
- ✦ Cumulative amounts billed by CLIN to date
- ✦ Name and address of Contractor official to whom payment is to be sent
- ✦ Taxpayer Identification Number (TIN)<sup>1</sup>

The following sections identify additional invoice requirements for the different task order types.

**G.2.1 Cost Reimbursement Invoice Requirements**

In addition to the requirements of FAR 52.232-25, Prompt Payment (JUN 1997), proper invoices for cost type task orders issued under this contract shall be a monthly invoice for costs incurred. The Contractor shall submit a separate invoice for fee. The invoice shall specify billing at the task order level with a spreadsheet or table summarizing the costs, if applicable. Each cost summary shall include the following information:

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<sup>1</sup> Note: At time of contract award, Contractors will be required to complete Form W-9 (Request for Taxpayer Identification Number and Certification) and SF-1338 (ACH Vendor/Miscellaneous Payment Enrollment Form) to facilitate TIN application and enrollment in the Vendor Express/Automated Clearinghouse Program.

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**SECTION G - CONTRACT ADMINISTRATION DATA**

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- ✧ Labor categories
- ✧ Labor rates
- ✧ Labor hours worked
- ✧ Fringe benefits rates applied
- ✧ Overhead rates applied
- ✧ Other Direct Costs
  - ★ Subcontractor(s)
  - ★ Travel
  - ★ Insurance
  - ★ Materials
  - ★ Equipment (Rentals)
  - ★ Equipment (Acquisitions)
  - ★ Material handling rates applied to the aforementioned items, if applicable
- ✧ General and Administrative rates applied, if applicable
- ✧ Total Costs Incurred

The task order summary shall contain a column for the billing period and a cumulative column for the contract year.

**G.2.2 Time and Material Invoice Requirements**

In accordance with FAR 52.232-25, Prompt Payment (JUN 1997), proper invoices for task orders issued under this contract shall be invoices for payment of actual services rendered using level of effort expended in the invoice period and the fixed labor rates contained the task orders. The invoice period is monthly. The invoices shall identify billing at the task order level. The monthly invoice shall include:

- ✧ The dollar amount associated with services performed during the month including total hours and dollars by labor category along with the labor rate for each labor category, and
- ✧ Itemization of all actual transportation and per diem expenses being claimed in accordance with Part 31 of the FAR and Section B of the contract with supporting documentation and the multiplier (administrative handling charge), if one is applied.

In addition, the Contractor shall include cumulative totals for the contract year for the items identified above.

**G.2.3 Firm-Fixed Price Invoice Requirements**

In accordance with FAR 52.232-25, Prompt Payment (JUN 1997), proper invoices for task orders issued under this contract shall be invoices for payment of actual services

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**SECTION G - CONTRACT ADMINISTRATION DATA**

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rendered using fixed price identified in the task orders. The invoices shall identify billing at the task order level.

**G.3. INVOICE SUBMISSION**

The Contractor shall submit an original and two (2) copies of the monthly and award fee invoices to the Administering Contracting Officer (ACO).

**G.4. CERTIFIED STATEMENT OF COSTS**

The Contractor shall complete and submit to the Contracting Officer a Certified Statement of Costs for each cost-reimbursable type task order within 120 days after the completion of the task order. The Certified Statement of Costs shall identify the total costs incurred and invoiced for the task order. Once the Contractor submits the Certified Statement of Costs, the Contractor is not authorized to submit invoices for costs not previously invoiced without the prior written approval of the Contracting Officer. In order to receive approval to invoice such costs, the Contractor must provide the Contracting Officer with the following data:

- ✦ A certification that the costs were incurred during the performance of the task order;
- ✦ Certification and/or evidence showing when the costs were incurred;
- ✦ A description of the costs including the member of the Contractor's team who incurred the costs, the purpose of the costs, and an itemization of the costs; and,
- ✦ A statement describing the reason why the Contractor was unable to invoice these costs in a timely manner.

A copy of the Certified Statement of Costs form is contained in Section J.

**G.5. CONTRACT ADMINISTRATION AND ORDERING OFFICERS**

The following person(s) are responsible for contract administration and are authorized to place orders under this contract:

Joseph Garforth	202-514-3630
Administrative Contracting Officer	
425 I Street, NW, Room 2208	
Washington, DC 20536	

John Russo	202-305-4600
Procuring Contracting Officer	
425 I Street, NW, Room 2208	
Washington, DC 20536	

**G.6. CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR)**

The performance of work required herein shall be subject to the technical direction of the cognizant Contracting Officer's Technical Representative (COTR) or the designee specified in each task order with respect to technical matters pertaining hereto. As used herein, "Technical Direction" is direction to the Contractor which fills in details, suggests possible lines of inquiry, or otherwise supplements the scope of work. "Technical Direction" must be confined to the general scope of work set forth herein and shall not constitute a new assignment, nor supersede or modify any other clause of this contract. To be valid, technical direction:

- ✧ Must be issued in writing consistent with the general scope of work set forth in the contract;
- ✧ Shall not change the expressed terms, conditions, or specifications incorporated into this contract;
- ✧ Shall not constitute a basis for extension to the contract delivery schedule or contract price.

The COTR or designee is authorized to:

- ✧ Act as liaison and to coordinate Contractor/Government activities;
- ✧ Arrange for and coordinate the use of Government resources (personnel, space, documents, etc.);
- ✧ Provide technical guidance in the performance of the contract;
- ✧ Receive, review, and approve or accept (but not reject) services and products delivered under the contract;
- ✧ Certify invoices/vouchers for payment based on the acceptance of products and/or services delivered;
- ✧ Evaluate and report on Contractor performance; and
- ✧ Perform other technical functions to facilitate the administration of the contract.

In accordance with the Inspection and Acceptance clause contained in Section E, the authority to reject deliverables or deny payments under the contract rests with the Contracting Officer.

The COTR or designee does not have the authority to alter the Contractor's obligations under the contract; direct changes that fall within the purview of the clause entitled "Changes" and/or modify any of the expressed terms, conditions, specifications, or cost of the contract. If as a result of technical discussions, it is desirable to alter/change contractual obligations or the Specification/Work Statement, the Contracting Officer shall issue such changes in writing and signed.



**SECTION G - CONTRACT ADMINISTRATION DATA**

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The COTR assigned cognizance of this contract is:

Ms. Soraya Correa  
STARS Program Manager  
801 "I" Street, NW, 7<sup>th</sup> Floor  
Washington, DC 20536  
Phone: (202) 514-2547  
FAX: (202) 514-5761

*(End of Section)*

SECTION H - SPECIAL CONTRACT REQUIREMENTS

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### **H.1. CONTRACT TYPE (FILL-IN FOR FAR 52.216-1)**

The INS will award hybrid Indefinite Delivery contracts for the Independent Verification and Validation (IV&V) portions of this program. The use of a hybrid Indefinite Delivery contract will enable the INS to issue task orders using a variety of contract types. The INS will issue task orders providing for one of the following bases of compensation:

- ✱ Cost Plus Award Fee (CPAF)
- ✱ Cost Plus fixed Fee (CPFF)
- ✱ Cost Plus Incentive Fee (CPIF)
- ✱ Fixed Price Incentive Fee (FPIF)
- ✱ Time & Material (T&M)
- ✱ Firm Fixed Price (FFP)

The selection of task order type will be based on the nature of the work to be performed and the mutual agreement of the INS and the Contractor.

### **H.2. STARS TECHNOLOGY ADVISORY COUNCIL (STARTAC)**

#### **H.2.1 Purpose**

The success of the STARS Program alliance depends on the willingness and ability of the STARS Contractors to cooperate fully with one another and the INS, share information, openly discuss issues and concerns, and work toward a common vision. The primary purpose of the STARS Technology Advisory Council (STARTAC) is to facilitate communication and cooperation among STARS Program participants. The senior management representatives of the STARS Contractors together with the senior management official of OIRM and representatives of the INS Procurement Division, will form the STARTAC. The SMI and Performance Contractors shall participate in the STARTAC on a regular basis; the IV&V Contractor participates at the invitation of the Chairman.

SMI and Performance Contractor Senior and Deputy Program Managers participate in the STARTAC as voting members; the IV&V Contractor Senior and Deputy Program Managers participate in a non-voting advisory role to maintain the independence and objectivity required to perform IV&V activities.

The STARTAC serves as a forum for establishing and adjusting group performance goals, setting STARS team priorities, surfacing issues, and resolving disagreements or conflicts among participants.

## SECTION H - SPECIAL CONTRACT REQUIREMENTS

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In order to encourage active Contractor involvement in the Council, participation in the STARTAC is an allowable cost under the STARS contracts. At a minimum, the STARTAC shall convene weekly, or as often as deemed necessary by the Chairman.

### H.2.2 STARTAC Participants

The STARTAC shall be comprised of the following participants:

- ★ Chairman: Deputy Associate Commissioner, OIRM
- ★ Members:
  - \* IRM Senior Management and System Managers
  - \* HQPRO Representative(s)
  - \* SM/I Senior and Deputy Program Managers
  - \* Performance Contractors Senior and Deputy Program Managers
  - \* IV&V Contractor Senior and Deputy Program Managers (when invited by the Chairman of the STARTAC)
  - \* Other advisors (including INS Program representatives), as required

Substitutions for the Contractor Program Managers will be allowed only in extraordinary circumstances and only with prior authorization of the STARTAC Chairman.

### H.3. ALLIANCE PERFORMANCE INCENTIVE

The success of the STARS alliance depends on the willingness and ability of the SM/I and Performance Contractors to cooperate fully with one another in working toward STARS Program goals. To promote an effective alliance, the INS has established an Alliance Performance Incentive that will reward SM/I and Performance Contractors based on their cooperation as a team.

The INS will use a variety of performance incentives to reward individual STARS Contractors, at a corporate level, for management and technical excellence. The Alliance Performance Incentive is unique in that it focuses on the success of the SM/I and Performance Contractors in creating a cooperative, professional alliance that transcends corporate boundaries and emphasizes cooperation among Contractors. In addition, the Alliance Performance Incentive allows the INS to directly reward SM/I and Performance Contractor Project Teams, including both management and non-management personnel, for their efforts in building a cooperative team dedicated to achieving STARS Program goals.

The INS will award the Alliance Performance Incentive based on a subjective evaluation of the success of the SM/I and Performance Contractors in fostering a cooperative team environment. The INS will evaluate Contractor performance based on evidence of

**SECTION H - SPECIAL CONTRACT REQUIREMENTS**

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cooperative behavior, such as sharing information and ideas to achieve STARS Program goals, and the lack of non-cooperative behavior, such as failing to share information, assigning blame, and maintaining a competitive, adversarial attitude.

The INS will establish an Alliance Performance Incentive pool of \$500,000 every six (6) months. As shown in the following table, the entire amount of the pool (\$500K) is awarded if all Contractors have been evaluated as cooperative. The pool is reduced to \$250K if one Contractor is evaluated as uncooperative and reduced to \$125K if two Contractors are evaluated as uncooperative. The pool is shared equally among those Contractors evaluated as cooperative.

<b>ALLIANCE PERFORMANCE INCENTIVE</b>		
<b>Number of Contractors Evaluated as Cooperative</b>	<b>Amount Available in Incentive Pool</b>	<b>Amount Awarded to Each Contractor</b>
Four Contractors	\$500K	\$125K each
Three Contractors	\$250K	\$83K each
Two Contractors	\$125	\$62.5K each

The amount of the incentive pool is reduced, based on the number of Contractors evaluated as uncooperative, on the premise that the cooperation of **all** Contractors is required to create a truly effective team and achieve STARS Program goals. By reducing the total amount of the pool and, therefore, the amount awarded to each Contractor evaluated as cooperative, the INS intends to emphasize the interdependence of the SM/I and Performance Contractors and incentivize them to use "peer pressure" to promote cooperation.

The Alliance Performance Incentive is not cumulative; if an award is not made or a partial award is made for a given period, the amount not awarded is removed from the pool. If an Alliance Performance Incentive is awarded, each Contractor is required to distribute the total amount of the award to the Contractor's STARS Project Team personnel. Any amount not distributed must be returned to the Government. The Contractor's Senior Program Manager has sole discretion in determining how the award is distributed to the contract team within the following guidelines:

- ⊛ A minimum of 65 percent of the total award amount is allocated for non-management personnel

## SECTION H - SPECIAL CONTRACT REQUIREMENTS

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- ⊕ No single individual is awarded less than \$1500 or more than \$3000 per award period

Contractors should be aware that it is the intent of the Government to be discriminating in the award of this incentive. Any non-cooperative behavior exhibited by a Contractor could result in the Contractor's ineligibility for award. The Government's decision to award or not award the Alliance Performance Incentive for any performance period is based on a subjective determination of the Government. That decision is not subject to the Disputes Clause of the contract.

### H.4. CONTRACTOR COMPLIANCE WITH PROPOSALS

Section J.2 identifies the specific volumes, sections, and pages of the STARS Performance Contractor's proposal that are incorporated by reference and become a part of this contract as if incorporated in full text. The INS considers the STARS Performance Contractor's proposal to represent their commitment to fulfilling the objectives of this contract through the implementation of the strategies, plans, and objectives described in their winning proposal. To this end, the INS expects the STARS Performance Contractor to honor their commitment to ensure they meet or exceed the INS' expectations with respect to the technical and managerial performance of work under this contract. *The INS' expectations are established by the information presented in the winning proposal.* Although the Management Proposal is incorporated into the contract by reference, the INS requires the STARS Performance Contractor to submit the plans specified in Section F with the detailed and more specific information regarding the Performance contract. If the information contained in the plans submitted with the Management Proposal does not change as a result of the contract award, then the contractor should so state in their deliverable transmission letter and provide a copy of the plan with an updated cover page to reflect the title of the report, date of submittal, company name, title of the contract, and contract number.

### H.5. SUBCONTRACTING PROVISIONS OF THE STARS CONTRACTS

The following special provisions are in addition to the FAR clauses incorporated in full text or by reference in the STARS Contracts. These special provisions are applicable to each of the STARS Contractors.

#### H.5.1 Special Provision Regarding the use of Subcontractors

The nature of the work to be performed and the relationships anticipated between the Contractors and the Government under the SM/I, Performance, and IV&V Contracts requires the complete independence of the Contractors and that NO potential conflicts of interest exists between the Contractors. Therefore, the subcontractors supporting the SM/I Contractor cannot support the Performance or IV&V Contractors. Similarly, subcontractors supporting the Performance Contractors cannot support the SM/I and

## SECTION H - SPECIAL CONTRACT REQUIREMENTS

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IV&V Contractors. However, subcontractors for one Performance Contract can be used on other Performance Contracts, given that the prime Contractors agree to such relationships with the subcontractors.

There will be no waivers or exclusions to the requirements of this clause and this provision will remain in effect throughout the life of each of the STARS Program Contracts.

### **H.5.2 Authorization and Consent**

Notwithstanding FAR Clause 52.244-2 (FEB 1997), "Subcontracts (Cost-Reimbursement and Letter Contracts)," the Contractor is required to submit all subcontracting agreements valued over \$100K to the Contracting Officer for authorization and consent. Failure to submit requests for authorization and consent may result in disallowance of costs by the Contracting Officer.

### **H.5.3 Small Business, Small Disadvantaged Business, and Small Woman-Owned Business Subcontracting Plan**

In accordance with its' BAFO, Lockheed Martin Corporation commits to subcontract a minimum of **10%** of the total value of the Performance Contract to the small, small disadvantaged, and woman-owned businesses identified in Section H.22 of this contract. This set-aside is NOT considered a goal, but a MANDATORY requirement that will be monitored and reviewed by the INS on a quarterly basis to ensure adherence to the requirement. The INS fully expects the Performance Contractor to adhere to this requirement and the promises and commitments contained in their small business subcontracting plan. Therefore, INS will monitor and review the Performance Contractor's subcontract reports to ensure full compliance with the provisions of FAR Part 19 and the commitments and plans contained in their subcontracting plan. Failure on the part of the Performance Contractor to aggressively pursue the achievement of the set-aside and the agency-level goals will also be subject to the assessment of liquidated damages as set forth in FAR Part 19 and as further described in H.7. Continued failure of the Performance contractor to rectify such a situation could result in the termination of the contract for default. The INS recommended goals for the small business subcontracting plan (i.e., the portion of subcontracted dollars planned for award to the small, small disadvantaged, and small woman-owned businesses) are:

- ⊛ Small Business - 55%
- ⊛ Small Disadvantaged Business - 5%
- ⊛ Small Woman-Owned Business - 5%



## SECTION H - SPECIAL CONTRACT REQUIREMENTS

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### **H.5.4 Approved Subcontracting Plan**

The *Master Subcontracting Plan* submitted by *Lockheed Martin Corporation* with its' *initial proposal dated November 12, 1997 and revised in its' BAFO submission of April 17, 1998* to include the STARS Performance contract-specific percentages and associated dollars, has been approved by the Contracting Officer and is incorporated herein and made a part of Section J.

### **H.5.5 Subcontracts Reporting**

The Contractor agrees to submit such periodic reports and cooperate in any studies or surveys as may be required by the INS, DOJ, or the Small Business Administration to ensure Contractor adherence and compliance with their subcontracting plan for this contract.

The Contractor shall submit the original and two copies of "Subcontracting Report for Individual Contracts," SF 294, following the instructions on the report as referenced in Public Law 95-507, Section 211. The specific dates for delivery of these reports will be established at time of contract award.

The Report shall be forwarded to the INS Small Business Specialist with copies to the Contracting Officer and the COTR. The INS Small Business Specialist is co-located with the Contracting Officer at the INS Headquarters. The addresses and telephone numbers of the Contracting Officer and COTR are provided in Section G. .

The Contractor shall submit one copy of the Summary Subcontract Report SF-295, following the instructions on the report as referenced in Public Law 95-507, Section 211.

The Quarterly Report shall be submitted on the following dates during any given year:

- January 31 for the Quarter ending December 31
- April 30 for the Quarter ending March 31
- July 31 for the Quarter ending June 30
- October 31 for the Quarter ending September 30

### **H.5.6 Liquidated Damages— Subcontracting Plan**

The INS will evaluate the Contractor's Subcontracting Plan to ensure that the Contractor is making a good faith effort to meet the goals and promises that it stipulated in its Subcontracting Plan and in its management proposals. The Contractor will be required to submit quarterly reports that identify percentages of task order dollars that were subcontracted to small, small disadvantaged, and woman-owned business concerns.

## SECTION H - SPECIAL CONTRACT REQUIREMENTS

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The Contracting Officer will determine in accordance with the procedures identified in FAR 19.705-7(d), if the Contractor made a good, faith effort to meet its goals specified in its Subcontracting Plan based on the Contractor's quarterly reports. If the Contracting Officer determines that the Contractor did not make good faith effort, the Contracting Officer shall assess Liquidated Damages for failure to meet the goals of the Subcontracting Plan "equal to the actual dollar amount by which the Contractor failed to achieve each subcontract goal," as set forth in FAR 17.705-7(b).

### **H.5.7 Subcontracting Restriction**

The addition and/or change of Subcontractors not included in the original (at contract award) project team to perform work under this contract is subject to the prior written consent of the Contracting Officer.

The Government does not restrict subcontracting if it does not adversely affect the quality or delivery of the final product. The Contracting Officer shall have the right to restrict subcontracting if it is determined that such an action is in the best interest of the Government.

### **H.6. KEY PERSONNEL**

Contractor and subcontractor personnel assigned to work on this contract shall be categorized as either Key Personnel or Other (Non-Key) Personnel. The key personnel assigned to perform on the STARS Program Contracts are identified in the table below:

*(Remainder of Page Intentionally Left Blank)*

**SECTION H - SPECIAL CONTRACT REQUIREMENTS**

<b>Key Personnel Position</b>	<b>Individual Proposed (BAFO)</b>
Senior Program Manager	<i>Alonzo Short</i>
Deputy Program Manager	<i>Frederick H. Essig</i>
Business/Contract Manager	<i>David W. Beach</i>
Corporate Technical Planning Manager (2)	<i>Michael Varrieur Lee W. Hein</i>
Systems Analysis and Programming Director (4)	<i>Edward O. Johnson Harry Lehrhaupt David Duda Christopher J. Pathe</i>
Applications Systems Analysis and Programming Director (2)	<i>Charles L. Reid Steven Stark</i>
Database Manager/Administrator (2)	<i>Barry M. Beach Hazel Gay LaNasa</i>
Quality Assurance Manager	<i>Joyce P. Bailey</i>
Data Security Administration Manager	<i>Suzanne C. Deuel</i>
Financial Analyst - Senior	<i>Robert Calderon</i>

The Senior Program Manager, Deputy Program Manager, and Business/Contract Manager for the Performance contracts must be full-time employees of the prime Contractor and shall be designated as key personnel. All other key personnel must be full-time employees of the prime Contractor or its subcontractors at time of contract award

The personnel specified as key personnel in Section C.2 are considered essential to the work performed under the STARS Performance contracts. Before diverting the specified individuals to other programs, the Contractor shall notify the Contracting Officer no less than 30 calendar days in advance and shall submit justification (including the names and resumes of the proposed substitutions) in sufficient detail to permit evaluation of the impact on the program. The proposed substitutions shall possess qualifications equal or superior to those of the key person(s) being replaced. No diversion or substitution shall be made by the Contractor without the written consent of the Contracting Officer. The list of key personnel set forth in this clause may be amended from time to time during the contract either to add or delete personnel, as appropriate.

## **SECTION H - SPECIAL CONTRACT REQUIREMENTS**

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Substitution or diversion of key personnel shall be handled as specified in the preceding paragraph, with the exception that during the first 180 days of this contract, no key personnel substitutions will be permitted unless such substitutions are necessitated by an individual's sudden illness, death, or termination of employment. In any of these events, the Contractor shall promptly notify the Contracting Officer and provide the information required by the Key Personnel clause. The Government reserves the right to identify or require the designation of key personnel on a task order-by-task order basis during contract performance.

### **H.7. ORGANIZATIONAL CONFLICT OF INTEREST**

The Contractor warrants that, to the best of its knowledge and belief, and except as otherwise set forth in this contract, it does not have any organizational conflict of interest as defined in paragraph H.5.1.2 below.

The term "organizational conflict of interest" means a situation where a Contractor has interests, either due to its other activities or its relationships with other organizations, which place it in a position that may be unsatisfactory or unfavorable (a) from the Government's standpoint in being able to secure impartial, technically sound, objective assistance and advice from the Contractor, or in securing the advantages of adequate competition in its procurement; or (b) from industry's standpoint in that unfair competitive advantages may accrue to the Contractor in question.

The Contractor agrees that, if after award he discovers an organizational conflict of interest with respect to this contract, he shall make an immediate and full disclosure in writing to the Contracting Officer that shall include a description of the action that the Contractor has taken or proposes to take to avoid, eliminate or neutralize the conflict. The Government may, however, terminate the contract for the convenience of the Government if it would be in the best interest of the Government.

If the Contractor was aware of organizational conflict of interest before the award of this contract and intentionally did not disclose the conflict to the Contracting Officer, the Government may terminate the contract at no cost to the Government.

### **H.8. SPECIAL PROVISIONS CONCERNING DISCLOSURE OF INFORMATION**

#### **H.8.1 Release to Third Parties**

The Contractor, when performing research and development or prototyping work, shall ensure that resulting specifications for acquisition of either limited or full-scale production systems or items encourage competition to the maximum practicable extent. The Contractor shall make no representations or release any information concerning research and development or prototyping work to any person or entity (e.g., trade or other publications, employees or officers of commercial entities whether for profit or not-

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for-profit, or other public or U.S. Government organization, officials or employees) without the specific, written authorization of either the Contracting Officer or the INS COTR assigned to this contract.

### **H.8.2 Confidentiality Agreement**

All SM/I Contractor employees are required to complete the Confidentiality Agreement found at K.9. In some instances, it may be required for IV&V Contractor employees, as specified in the task order.

### **H.8.3 Publicity**

Publicity releases about this contract shall not be made by the Contractor unless prior written approval is received from the Contracting Officer. Furthermore, the Contractor agrees that it will not use any data or other information concerning INS information technology activities without the expressed written consent of the Associate Commissioner or Deputy Associate Commissioner, Information Resources Management.

## **H.9. COMPLIANCE WITH THE FREEDOM OF INFORMATION ACT (FOIA)**

### **H.9.1 Disclosure of Data under FOIA Requests**

If a request for all or any portion of a proposal (e.g., Technical, Management, or Cost) is requested under the FOIA, the Government shall have the right to disclose any information or data contained in a proposal that is set forth or incorporated by reference in a contract entered into between [INS] and the [Offeror] that submitted the proposal, to the extent required under the FOIA, notwithstanding any restrictive legends that may have been placed upon it in accordance with FAR 52.215-12 (APR 1984), Restriction on Disclosure and use of Data. The Government will, before disclosure, make an administrative determination on a case-by-case basis as to whether the information requested is exempt from disclosure by one of the established exceptions to the Act. In making this determination, the Government shall follow the procedures outlined in 28 CFR, paragraph 16.7 which, in part, affords the submitter of a proposal an opportunity to object to disclosure.

### **H.9.2 Redacted Proposal**

Within fifteen (15) days after contract award, the Contractor shall provide the Contracting Officer with a "redacted" copy of their complete proposal (Management, Experience & Past Performance, Technical, and Cost Proposal volumes) as amended, which shall be releasable to the public in response to Freedom of Information Act (FOIA) requests. The Contractor shall assert the appropriate FOIA exception and basis

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for any materials redacted. The submission shall include the name(s), title(s), and telephone number(s) of the individual(s) responsible for addressing FOIA requests for the company. The INS will review the redacted version of the proposal and notify the Contractor of any areas where the INS takes exception to the redacting of material.

### **H.10. CONTINUITY OF SERVICES (JAN 1991) (FAR 52.237-3)**

The Contractor recognizes that the services under this contract are vital to the Government and must be continued without interruption and that, upon contract expiration, a successor, either the Government or another contractor, may continue them. The Contractor agrees to (1) furnish phase-in training and (2) exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor.

The Contractor shall, upon the Contracting Officer's written notice, (1) furnish phase-in, phase-out services for up to 90 days after this contract expires and (2) negotiate in good faith a plan with a successor to determine the nature and extent of phase-in, phase-out services required. The plan shall specify a training program and a date for transferring responsibilities for each division of work described in the plan, and shall be subject to the Contracting Officer's approval. The Contractor shall provide sufficient experienced personnel during the phase-in, phase-out period to ensure that the services called for by this contract are maintained at the required level of proficiency.

The Contractor shall allow as many personnel as practicable to remain on the job to help the successor maintain the continuity and consistency of the services required by this contract. The Contractor also shall disclose necessary personnel records and allow the successor to conduct interviews with these employees. If selected employees are agreeable to the change, the Contractor shall release them at a mutually agreeable date and negotiate transfer of their earned fringe benefits to the successor.

The Contractor shall be reimbursed for all reasonable phase-in, phase-out costs (i.e., costs incurred within the agreed period after contract expiration that result from phase-in, phase-out operations) and a fee (profit) not to exceed a pro rata portion of the fee (profit) under this contract.

### **H.11. AMERICANS WITH DISABILITIES ACT**

The INS currently does not have a requirement for ADP software for employees/users with disabilities. However, the Contractor shall have the capability to provide ADP software to meet the accessibility requirements as described in the Federal Acquisition Regulations (FAR). The INS will identify the need for any such software in the individual task orders issued under the contract.

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**H.12. EMPLOYMENT OF ILLEGAL ALIENS**

Subject to existing laws, regulations, and Executive Orders and other provisions of this contract, illegal or undocumented aliens shall not be employed by the Contractor, or subcontractors if applicable, to work on, under, or with this contract. The Contractor shall ensure that this provision is expressly incorporated into any and all subcontracts or subordinate agreements issued in support of this contract.

**H.13. WORK ON OCCUPIED PREMISES**

If the Contractor (or any of its subcontractors and their employees) are assigned to work at INS facilities, then the Contractor shall comply with the regulations governing access to, operation of, and conduct while in or on the premises. The Contractor shall ensure that all work is performed in a manner that does not interrupt or interfere with the conduct of Government business.

**H.14. INSURANCE**

In accordance with FAR 52.228-7, Insurance - Liability to Third Persons (MAR 1996), contained in Section I of this contract, the Contractor shall have insurance as follows:

General Liability	\$500K per incident
Worker's Compensation & Employee Disability	\$100Kper incident

**H.15. PRICING OF ADJUSTMENTS**

When costs are a factor in any determination of a contract price adjustment pursuant to the "Changes" clause or any other clause of this contract, such costs shall be in accordance with the contract cost principles and procedures identified in FAR Part 31 (48 CFR 31) in effect as of the date of the contract.

**H.16. STARS CONTRACTS TASK ORDERS**

All work performed under the STARS Contracts will be authorized by the issuance of task orders by the Contracting Officer.

The Contracting Officer will ensure that individual task orders clearly describe all services to be performed and ensure that orders are within the scope, period, and maximum value of the contract. The task orders containing the following information:

- ⊕ Statement of Work (SOW) identifying the work to be performed (e.g., development of the IDENT system, operation and maintenance of ACTS,

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Infrastructure Deployment, etc.) including the scope and requirements in terms of expected functional results and/or deliverables

- ✧ Government Furnished Property (GFP) to be provided, if any
- ✧ Period of performance for the project requirement
- ✧ Special instructions, deliverables, or other aspects of the project requirement that should be communicated to the Contractor
- ✧ Date of order
- ✧ Accounting and appropriation data
- ✧ Item number and description, quantity, and unit price or estimated cost or fee
- ✧ Cost ceiling
- ✧ Type of task order

After receipt of the task order SOW and related information from the Contracting Officer, the Contractor shall develop a proposal addressing the following items:

- ✧ Name(s) of Key Personnel assigned to the task order
- ✧ Discussion of the technical approach for performing the work, including technical rationale at the sub-task functional level which clearly explains staffing categories/levels in terms of team organizations and structure, assignments and qualifications commensurate with the level of effort.
- ✧ Planned use of Subcontractor(s), including a description of how they will be used and managed
- ✧ Estimated period of performance, specifying the estimated task order start and end dates
- ✧ Discussion of contractor proposed task order level performance measures and incentives, in terms of INS mission goals and objectives, and in accordance with principles established under GPRA.
- ✧ Completion date for each deliverable
- ✧ The cost/price proposal to include, as applicable to the type of task order:
  - ★ Direct and indirect labor costs (by labor category)
  - ★ Estimated travel costs
  - ★ Estimated materials costs, such as unique hardware, software, or other equipment
  - ★ Estimates for subcontractors and consultants including the direct labor hours, if applicable



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- ★ Other cost data deemed pertinent to the performance of the task or specified by the Contracting Officer

The Contracting Officer may initiate negotiations to discuss the Contractor's proposal and resolve any technical differences and/or reconcile any cost and funding concerns.

At the Contracting Officer's discretion, prior to award of a single source task order, the Contracting Officer may permit the Contractor to immediately commence work via a letter task order while definitizing the task order at a later date specified in the letter. The letter task order will specify (1) a description of the work to be performed and the deliverables to be developed under the task order, (2) a cost ceiling that the Contractor may not exceed until the task order is definitized, and (3) a definitization schedule that identifies:

- ✦ Dates for submission of the Contractor's technical and costs proposal
- ✦ Start date for negotiations
- ✦ Target date for definitization

The schedule will provide for definitization of the task order within 180 days after the date of the letter task order or before completion of 40 percent of the dollar ceiling amount, whichever occurs first.

### H.16.1 Competitive - Task Order Procedures

- (i) Most Performance task orders will be awarded competitively, with each Performance Contractor afforded a fair opportunity to be considered for work assigned under the task orders in excess of \$2,500. However, in accordance with FAR 16.505(b)(1), the Contracting Officer need not contact each of the Performance Contractors to perform a particular requirement under a task order if the Contracting Officer has information available to ensure each participating Contractor is provided a fair opportunity to be considered for each order. The Contracting Officer may use information provided from the initial offer to the STARS Contracts, past or present performance under the STARS Contracts, or other information available to the STARS Contracting Officer. In most instances, however, the Contracting Officer will provide two or more Performance Contractors with a Request for Task Order Proposals. task order

The Request for Task Order Proposals will include (1) an SOW that defines the scope of work and requirements in terms of expected functional results and/or deliverables and related information, (2) proposal preparation instructions, and (3) the evaluation criteria to be used by the Contracting Officer for the evaluation and selection of the Performance Contractor.

The Performance Contractors shall develop proposals based on the information provided by the Government. The Performance Contractors' proposals shall be in the

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form of oral presentations that include annotated briefing charts unless otherwise specified. The Performance Contractors shall use the individuals that will actually manage and perform under the task order to present the oral presentations. The proposal shall specifically address:

- ✦ Name of Key Personnel proposed for the task order.
- ✦ Discussion of the contract's technical approach for performing the work including the technical rationale at the WBS functional level. This should explain the staffing categories/levels in terms of team organizations and structure, assignments, and qualifications commensurate with the level of effort.
- ✦ Planned use of Subcontractor(s), including a description of how they will be used and managed.
- ✦ The estimated period of performance, specifying the estimated task order start and end date.
- ✦ Completion date for each deliverable.
- ✦ Discussion of contractor proposed task order level performance measures and incentives, in terms of INS mission goals and objectives, and in accordance with principles established under GPRA.
- ✦ The total estimated cost or total proposed price for the entire requirement broken out by labor, travel, and materials (*Costs and prices are to be provided at a high-level since representatives from the SM/I Contractor may attend the oral presentations. The Contracting Officer will request full cost or price proposals to be provided at a later date. However, Performance Contractors shall ensure that the cost/price proposal tracks to the total estimated cost or total proposed price provided during the oral presentation*).

The Government intends to give the Performance Contractors between five and ten calendar days to develop their proposals. However, the Government may specify more or less time. Specific due dates for proposals will be specified in the Requests for Task Order Proposals. Participants that may attend Performance Contractors' oral presentations include the INS Task Manager/Leader, Contracting Officer, COTR, representatives from INS technical/management advisors, and representatives from the SM/I Contractor.

The oral presentation shall provide for a dialog between the Government representatives and the Performance Contractor to ensure that the Performance Contractor's approach demonstrates a thorough understanding of the requirement, constraints, risk, plans to mitigate risk, and other salient factors. The dialog shall be limited to the expressed requirement and the Performance Contractor's approach to successfully completing the task order, if awarded.

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After the Performance Contractors present their proposals, the Contracting Officer will determine which Performance Contractor provides the Government with the greatest value based on the evaluation criteria identified in the Request for Task Order Proposals and the information provided in the Performance Contractors proposals/oral presentations. After the Contracting Officer selects the Performance Contractor that is determined to be the greatest value to the Government, the Contracting Officer shall request a full cost or price proposal from the Performance Contractor. The Performance Contractor's cost or price proposal shall be consistent with the data provided in its oral presentation. The cost or price proposal shall include, as applicable to the type of task order:

- ✧ Direct and indirect labor (by labor category)
- ✧ Estimated travel costs
- ✧ Estimated material costs, such as unique hardware, software, or other equipment
- ✧ Estimates for subcontractors and consultants including the direct labor hours, if applicable
- ✧ Other cost data deemed pertinent to the performance of the task or specified by the Contracting Officer

Once the Contracting Officer has finished the review of the cost or price proposal, the Contracting Officer may initiate negotiations with the Performance Contractor to resolve any technical differences and/or reconcile any cost, price, or funding concerns. The Government is not obligated to award a task order to a Performance Contractor based on a request for a cost or price proposal from that Performance Contractor. Only when the Government has resolved any concerns with the Performance Contractor's proposal, will a task order be awarded to the Performance Contractor.

### **H.17. SPECIAL PROVISION REGARDING COMPETITION UNDER PERFORMANCE CONTRACTS**

The INS seeks to award approximately three Performance Contracts and to compete the award of task orders for specific information technology projects or programs throughout the life of the STARS Program. Should a Performance Contractor feel that they cannot meet the requirements of a particular program or project, and therefore wishes to decline submitting a proposal, they must provide written notification to the Contracting Officer with a narrative explanation outlining their reasons for not responding. However, the Performance Contractors are cautioned the INS will be carefully monitoring this process to ensure the Performance Contractors are actively participating and supporting the STARS Program through the submittal of technically proficient and cost/price effective proposals based on innovative solutions and processes for implementing those solutions as described in their winning proposals.

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Notwithstanding the INS' requirements for the Performance Contractors to consistently and actively support the STARS Program, there will be instances where the INS will need to take advantage of unique capabilities inherent to a particular contractor. In those rare instances, the INS will only request a proposal from that particular source. However, in keeping with the INS commitment to foster a team approach to the management and implementation of the STARS Program, all such decisions will be communicated to each of the Performance Contractors and such situations will be avoided wherever possible.

### **H.18. YEAR 2000 WARRANTY--COMMERCIAL SUPPLY ITEMS**

The Contractor warrants that each hardware, software, and firmware product delivered under this contract shall be able to accurately process date data (including, but not limited to, calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, including leap year calculations, when used in accordance with the product documentation provided by the Contractor, provided that all listed or unlisted products (e.g., hardware, software, firmware) used in combination with such listed product properly exchange date data with it. If the contract requires that specific listed products must perform as a system in accordance with the foregoing warranty, then that warranty shall apply to those listed products as a system. The duration of this warranty and the remedies available to the Government for breach of this warranty shall be as defined in, and subject to, the terms and limitations of the Contractor's standard commercial warranty or warranties contained in this contract, provided that notwithstanding any provision to the contrary in such commercial warranty or warranties, the remedies available to the Government under this warranty shall include repair or replacement of any listed product whose non-compliance is discovered and made known to the Contractor in writing within ninety (90) days after acceptance. Nothing in this warranty shall be construed to limit any rights or remedies the Government may otherwise have under this contract with respect to defects other than Year 2000 performance.

### **H.19. YEAR 2000 WARRANTY--NON-COMMERCIAL SUPPLY ITEMS**

The Contractor warrants that each non-commercial item of hardware, software, and firmware delivered or developed under this contract shall be able to accurately process date data (including, but not limited to, calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, including leap year calculations, when used in accordance with the item documentation provided by the Contractor, provided that all listed or unlisted items (e.g., hardware, software, firmware) used in combination with such listed item properly exchange date data with it. If the contract requires that specific listed items must perform as a system in accordance with the foregoing warranty, then that warranty shall apply to those listed items as a system. The duration of this warranty and the remedies available to the Government for breach of this warranty shall be as defined in, and subject to, the terms and limitations of any

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general warranty provisions of this contract, provided that notwithstanding any provision to the contrary in such warranty provision(s), or in the absence of any such warranty provision(s), the remedies available to the Government under this warranty shall include repair or replacement of any listed item whose non-compliance is discovered and made known to the Contractor in writing within ninety (90) days after acceptance. Nothing in this warranty shall be construed to limit any rights or remedies the Government may otherwise have under this contract with respect to defects other than Year 2000 performance.

## **H.20. STARS AWARD FEE PROVISIONS**

### **H.20.1 Introduction**

Each STARS Contract shall encompass Award Fee features. The SM/I Contract is a CPAF Contract, and the Performance and IV&V contracts include CPAF task orders for Management and Administration. The Contracting Officer may award other CPAF task orders under the Performance and IV&V Contracts. The payment of any award fee is contingent based upon the Contractor's (1) performance on specific task orders and (2) performance on a contract level.

The Government will continually monitor all aspects of the Contractor's performance. The standards by which the Contractor's performance will be gauged are not susceptible to precise definition; therefore, general areas on which particular emphasis will be placed when evaluating the Contractor's performance are set forth in the evaluation criteria described in the following sections. Task order level performance measures and incentives may vary significantly by task and will be developed and established simultaneously with development of the task order SOW. The INS intends to incorporate these task order level performance measures into the award fee evaluation criteria.

The INS has also defined contract-level performance measures on which particular emphasis will be placed when evaluating the Contractor's overall contract performance. These contract-level performance measures are provided in Section H-4.

Procedures or performance evaluation criteria specified herein may be modified from time-to-time unilaterally by the Government, provided that the Government notifies the Contractor no later than fifteen (15) calendar days after the start of the relevant award fee period. Any such alterations shall not change the total available award fee potential provided in the evaluation period nor change the award fee earned by the Contractor in any completed evaluation period.

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### **H.20.2 Purpose of the Award Fee**

The purpose of the award fee is to motivate the Contractor to engage in the necessary actions that foster excellence in contract performance in the evaluation categories set forth herein and as changed during the life of the contract.

### **H.20.3 Payment of the Award Fee**

The payment structure of the award fee portion of the contract consists of a monthly provisional/base fee payment, if applicable, and a periodic award fee. The amount of the award fee that the Contractor may earn during an evaluation period ranges from zero dollars to the maximum amount available. Rollover of unearned award fee shall not be permitted. The amount of award fee will be based upon a subjective evaluation, by the Government, of the quality of the Contractor's performance.

The decision regarding the amount of earned fee, if any, shall be unilateral in nature and shall not be subject to appeal or the provisions of the "disputes" clause of this contract.

### **H.20.4 Award Fee Pool**

The award fee pool is the amount of fee set forth in Section B of this contract as available to be awarded for Contractor performance in accordance with the criteria contained herein. Contract change orders approved during the life of the contract may require an adjustment to the award fee amount available.

### **H.20.5 Fee Determination Official (FDO)**

The Fee Determination Official (FDO) will be a senior INS official who makes the final fee determination based upon the review input from the Performance Evaluation Board (PEB).

### **H.20.6 Performance Evaluation Board (PEB)**

The PEB will be composed of selected senior INS managers, the COTR, the Contracting Officer, selected INS task and business managers, and representatives from INS customer organizations. At the end of each evaluation period, the PEB will meet as a group and discuss input from both the members of the PEB and the Contractor. Considering this input, as well as any other information available to the PEB, the PEB will provide findings and recommendations to the FDO.

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### H.20.7 Performance Contractor Award Fee Procedures

The following Award Fee procedures will be applicable to CPAF Task Orders issued under the Performance Contract. The INS will determine award fee amounts on a Task Order basis for the Performance Contractor.

#### H.20.7.1 Performance SER

The SER is required to be submitted by the Performance Contractors 15 days after the end date of a Task Order unless otherwise specified in a Task Order. The SER shall be the Contractor's opportunity to identify significant areas performance using the designated WBS as a format. This report shall furnish the PEB with such information as may be reasonably required to assist in the evaluation of the Performance or IV&V Contractor's work as described in the evaluation category section below.

#### H.20.7.2 Performance Award Fee Evaluation Categories

The award fee structure is composed of three evaluation categories as presented below. The following table specifies the maximum evaluation points for each of the evaluation categories.

<i><b>Evaluation Category</b></i>	<i><b>Assigned Points</b></i>
Technical Performance	<b>500</b>
Management Performance	<b>300</b>
Cost Performance	<b>200</b>
Total	1000

Each evaluation category is comprised of evaluation criteria. The following identifies the evaluation criteria for each evaluation category. The PEB shall use only the data specific to the Task Order it is evaluating, and therefore shall be evaluated independent of any other Task Order.

#### *H.20.7.2.1 Evaluation Category 1: Technical Performance (500 Points)*

The PEB will evaluate and report technical performance based on the following evaluation criteria.

##### *H.20.7.2.1.1 Overall Customer Satisfaction*

The PEB will judge overall customer satisfaction by evaluating the quality and availability of user assistance and hardware/software support; the flexibility and responsiveness to the changing requirements and priorities, as well as sensitivity to the

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user's schedule; user ratings and feedback; and the effectiveness and timeliness of communication between the Contractor and the customer.

### *H.20.7.2.1.2 Quality of Project Performance*

The PEB will judge the quality of project performance by evaluating the extent to which the Performance or IV&V work was free from error; the completeness of detail; the accomplishment of overall objectives; the demonstration of improvements to the basic requirements; the performance of the work in an effective, efficient manner; and the quality and timeliness of the Contractor's supervisory guidance provided to its personnel.

The PEB will judge the timeliness of project completion by evaluating the timeliness of reporting; the completion of scheduled work; the quality of responses to urgent work requirements; the submission of the Contractor's recommendations concerning work in time to effect changes to schedules or product; and the timeliness of proposed solutions.

### *H.20.7.2.1.3 Utilization of Resources*

The PEB will judge the utilization of STARS resources by evaluating the accuracy of resource estimates for completion of work. The PEB will consider the competency and quality of personnel assigned to accomplish work requirements and the effectiveness of resource adjustments due to changes in priorities in its evaluation.

### *H.20.7.2.1.4 Completeness/Quality of Documentation*

The PEB will judge the completeness/quality of documentation by evaluating the effectiveness of documentation developed by the Contractor, the completeness, accuracy, legibility, and visual appeal of documentation; the adherence to standards and guidelines for documentation types; the technical adequacy; the internal consistency throughout documents; and the understandability and usability of documents for intended audiences.

### *H.20.7.2.1.5 Innovation*

The innovation category relates to exceptional ideas, concepts and results that the Contractor suggests and/or implements that result in significant cost savings and productivity improvements. The PEB will judge innovation by evaluating the innovative, creative, and constructive technical support; the innovative technical approaches taken by the Contractor which demonstrate substantial savings in hardware and/or software development costs; the technical ideas which improve methods of implementing established requirements; the innovative technical designs which demonstrate major savings in sustaining engineering and/or operations and maintenance costs for



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hardware and/or software; the performance in the development and utilization of capabilities and resources that significantly improve performance, process control, problem resolution, and quality control; and the substantive practical ideas that can be implemented within required schedules.

### *H.20.7.2.2 Evaluation Category 2: Management Performance (300 Points)*

The PEB will evaluate and report management performance based on the following evaluation criteria.

#### *H.20.7.2.2.1 Personnel Resources*

The PEB will assess the overall effectiveness and the efficiency of the Contractor's personnel and staffing. Special consideration will be given to the realism of the Contractor's labor and staffing estimates; the appropriate match of personnel qualifications with work requirements; the recognition of work order priorities in the assignment and/or reassignment of personnel; the recruitment of qualified personnel; the Contractor's attention to personnel training, certification and/or qualifications as required to maintain individual technical proficiency; the effectiveness of staffing at levels commensurate with work requirements; the Contractor's ability to retain qualified personnel; the stability of work force assigned to given projects; the timeliness of responses to tasks requiring the acquisition and use of special personnel/skill resources; and the responsiveness and preparation of personnel attending meetings and briefings that occur during the performance of this contract.

#### *H.20.7.2.2.2 Communications*

The PEB will evaluate the effectiveness and efficiency of the Contractor's internal and external communications. The PEB will assess the quality and effectiveness of the Contractor's communication with other Contractors (STARS and non-STARS) supporting the STARS program. The PEB will also evaluate the effectiveness and efficiency of the Contractor's formal and informal lines of authority including key individual responsibilities and INS-Contractor interfaces. The PEB will evaluate the Contractor's management performance in communicating the work requirements and schedule to its staff, and in monitoring the work performed by the staff to ensure successful completion. The PEB will assess the Contractor's problem identification, resolution, and recommended approaches/solutions for activities that occur during the performance of this contract.

Additionally, the PEB will assess the Contractor's effectiveness and timeliness in routine reporting requirements. The PEB will also evaluate the Contractor's effectiveness in keeping Government personnel advised as to problems, changes or recommendations for changes in work methods and work assignments, and in other

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such communications that may assist the Government and/or the Contractor in achieving improved performance and productivity.

### *H.20.7.2.2.3 Program Analysis and Control*

The PEB will assess and evaluate the effectiveness and efficiency of the Contractor's performance to ensure that all technical reports are complete, accurate, and timely; that adequate and effective plans are in place throughout the contract to ensure overall Task Order accomplishment; and that the designated WBS is followed to control and report on all contract activities and functions required by this contract.

### *H.20.7.2.2.4 Systems Development and Integration at the Project Level*

The PEB will assess and evaluate the effectiveness and efficiency of the Contractor's performance to determine overlap of activities, functions, processes, and features in systems development; to propose short-term, high payoff (high rate of return) consolidation/integration and/or other cost-savings opportunities; and to propose long-term tasks for the strategic planning effort as appropriate.

### *H.20.7.2.2.5 Compliance with Contract Provisions*

The PEB will evaluate the Contractor's compliance with Task Order and contract provisions to ensure exercise of indirect and direct cost control techniques and their effectiveness; effective use of available support goods and services to minimize charges to the contract and timely notice of potential or actual labor disputes and planned corrective action(s); responsiveness to the Contracting Officer's and the COTR's directions and requests; and to ensure awareness and compliance with contract terms, conditions, and requirements.

### *H.20.7.2.2.6 Business Decisions affecting the Contract*

The PEB will evaluate the business decisions made by the Contractor that affect this contract and STARS Program to include minimization of contract costs; sound business decisions with justifications; the establishment and maintenance of communication with cognizant Government staff(s) of potential and/or actual problems associated with the performance, compliance, and/or costs of the contract; and the utilization of effective cost estimating techniques and a system for accumulating and reporting costs.

### *H.20.7.2.2.7 Other Management Factors*

The PEB will assess and evaluate the effectiveness and efficiency of any other factors deemed relevant to overall contract management and STARS program performance, when conducting the evaluations described above. That evaluation will include an overall assessment of the extent to which:

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- ★ Corporate Management provides its staff with the required personnel, facility, and/or other applicable support to insure an efficient and smooth operation.
- ★ The corporate entity treats the INS contract as a corporate priority.
- ★ The Contractor's ongoing continuous improvement program is operating successfully.
- ★ (During Phase-In Only): transition of tasks to this contract, as well as the implementation of Contractor-proposed approaches, procedures and methodologies, was conducted in an efficient and rapid fashion with the overall phase-in of work being as smooth as possible within those areas controlled by the new Contractor.
- ★ Subcontractor business and technical aspects are effectively managed. The Contractor will be expected to minimize the time to negotiate and complete awards, minimize noncompetitive awards, and demonstrate reasonableness of subcontract prices. Timely communication concerning subcontract issues and concerns is required. The Contractor will also be evaluated on its ability to manage subcontract technical activities and to provide the INS with information on subcontractor activities and performance.

*H.20.7.2.3 Evaluation Category 3: Cost Performance (200 Points)*

The PEB will evaluate the Contractor's cost performance. The purpose of this category is to evaluate the Contractor's performance in cost management. The general areas to be evaluated are variance in negotiated amounts and rates with emphasis on provision of adequate notification of Government for planned and actual variance(s), minimization of variance effect on contract costs and performance, and timeliness of variance submissions, reasons/rationale for variance(s) to include proper, timely, and adequate justification for variance(s); and cost containment to include the extent to which measurable cost containment and/or cost reduction was achieved.

**H.20.8 Award Fee Evaluation Procedures**

The performance evaluation and determination of award fee will be made by the Government within a total of 45 calendar days after receipt of the Contractor's Self Evaluation Report for the SM/I Contractor and 15 calendar days for the Performance Contractor during each applicable award period as follows:

- ★ Using the information provided by the Contractor and any other additional relevant information as obtained from members and non-members of the PEB, the board will, in closed session, arrive at a scoring consensus and advise the FDO in writing of this recommendation including reasons, rationale, and justifications.

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- ★ The FDO will review the findings of the PEB and will determine the earned award fee amount to be allotted, if any. The FDO will notify the Contractor in writing of the findings and the earned award fee amount. The earned award fee amount is not subject to appeal, nor is it subject to the provisions of the disputes clause of this contract however, the Contractor will have 5 calendar days to comment on the evaluation findings. If comments are received, they will be considered by the FDO in establishing the final award fee.
- ★ The FDO will provide the final award fee determination in writing to the Contracting Officer. The Contracting Officer will issue a unilateral contract modification formally establishing the award fee for the period.

**H.20.9 Award Fee Ratings, Adjectival Definitions, and Points/Percentage Scale**

<i>Range</i>	<i>Rating</i>	<i>Adjective Definitions</i>
91-100	Excellent	Performance is outstanding in essentially all aspects, approaching the best that could be expected of any qualified Contractor. The Contractor has greatly exceeded the standard of performance that would be expected of a qualified Contractor. Areas of deficiency are very few and, overall, are considered relatively unimportant. The Contractor shows initiative in executing the job and achieving improvements.
81-90	Good	Performance is substantially better than standard. The Contractor has more than met all needs and has exceeded the standard performance expected of any qualified Contractor. Areas of deficiency are relatively few and are more than offset by areas of above average or excellent performance.
80	Standard	This grade represents average performance. The Contractor has generally met the needs and expectations in a fashion that corresponds to average performance by a qualified Contractor. Areas of below average performance are roughly balanced by areas of above average performance.
70-79	Fair	Performance is below, but approaching, standard performance. Areas of deficiency are slightly greater than areas of above standard performance.
0-69	Unsatisfactory	Performance is deficient in substantial areas of effort, and is sufficiently far below standard performance as to be overall unsatisfactory. Immediate improvement is required in order to permit continuation of the contract. Termination may be considered.

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<i>Award Fee Points/Percentage Scale</i>		
<u>POINTS</u>	<u>ADJECTIVE GRADE RANGE</u>	<u>% OF FEE</u>
1000		100.0
990		99.0
980		98.0
970		97.0
960		96.0
950	EXCELLENT	95.0
940		94.0
930		93.0
920		92.0
910		91.0
-----	-----	-----
900		88.0
890		86.0
880		84.0
870		82.0
860		80.0
850	GOOD	78.0
840		74.0
830		65.0
820		60.0
810		55.0
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800	STANDARD	50.0
-----	-----	-----
790		47.5
780		45.0
770		42.5
760		40.0
750	FAIR	37.5
740		35.0
730		32.5
720		30.0
710		27.5
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700		25.0
690		22.5
680	MARGINAL	20.0
670		17.5
660		15.0
650		12.5
640		10.0
630		07.5
620		05.0
610		02.5
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0-600	UNSATISFACTORY	00.0

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### H.21. COMPLIANCE WITH FTS 2001

Even though the proposed FTS 2001 contract may not mandate use by Federal subscribers, INS still requires STARS Contractors to adhere to prevailing Department of Justice (DOJ) policy on supplying telecommunications services. Specifically this applies to: centralized ordering, circuits provisioning, status tracking, billing, and operational support. DOJ is in the process of formulating a policy and regulations on DOJ components' operational interfaces with the FTS 2001 providers. As of the date of publication of this amendment, INS has not received any waivers to work directly with non-FTS 2001 providers.

### H.22. APPROVAL AND RETENTION OF SUBCONTRACTORS

The subcontractors proposed by the Contractor were an integral part of the Government's evaluation and selection of the Contractor for the award of this contract; therefore the proposed subcontractors are considered essential to the work being performed under the contract.

The following subcontractors are approved to proceed with performance under the contract as described and at the values set forth in the Contractor's Best and Final (BAFO):

- ✦ *RMS Information Systems, Inc. (Small Business)*
- ✦ *SOZA & Company, Ltd. (Small Disadvantaged Business)*
- ✦ *ALTA Systems, Inc. (Small Woman-Owned Business)*

Copies of the signed subcontractor agreements for each of these subcontractors shall be provided to the Contracting Officer (with copy to the COTR) within thirty (30) calendar days after contract award for formal authorization and consent by the Contracting Officer in accordance with Section H.5.2 of this contract.

*In accordance with the information presented in Volume II of the Lockheed Martin BAFO, all subcontractor personnel assigned to the performance of work under the STARS Performance Contract will be co-located with Lockheed Martin personnel at the proposed TechWorld facility in Washington, D. C.*

### H.23. GUARANTEED CONTRACT MINIMUM AND MAXIMUM VALUES

#### H.23.1 SM/I Contract

##### H.23.1.1 Guaranteed Minimum

The guaranteed minimum to be ordered by the INS under each of the Performance Contract will be **\$3M** or any combination of services that equates to **\$3M** for the initial period of the contract. There is no guaranteed minimum for the option years.

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*H.23.1.2 Overall Contract Maximum Value*

The cumulative value of all orders placed under this contract by the INS shall not exceed \$732,839,977; this amount includes the Contractor's total corrected proposed costs as identified in their BAFO and \$1,250,000 established for payment of the Alliance Performance Incentive as discussed in Section H.3. The Government may elect to purchase any quantity of any CLIN not to exceed the maximum contract value.

*(End of Section)*