

**LETTER OF OBLIGATION
DEPARTMENT OF ENERGY**

This LETTER OF OBLIGATION (LOO) establishes the requirements for performance by a Most Efficient Organization (MEO) within the Department of Energy (DOE or Department).

DOE competed the performance of a commercial activity, DE-RP01-04IM00054 – Information Technology Support Services, under the standard competition procedures of Office of Management and Budget (OMB) Circular A-76 (Revised), Performance of Commercial Activities, dated May 29, 2003. OMB Circular A-76 is hereby incorporated by reference. All actions taken under this Agreement shall be in accordance with the requirements of the Circular.

The agency tender, dated May 9, 2005, was selected to be the service provider under said competition and is incorporated by reference to this LOO.

The organizational title of the MEO is the DOE Information Management Most Efficient Organization, IM-70.

Performance under this LOO will be in accordance with the following requirements:

1. Performance Work Statement, Period of Performance and Estimated Cost

A. Performance Work Statement

The MEO will perform the work identified in the Performance Work Statement (PWS) consistent with the agency tender proposal and all applicable laws, regulations, and other requirements. The PWS is Attachment A to this LOO. The Phase-In Plan is Attachment B.

Performance during the Phase-In Period shall also be in accordance with the requirements identified as necessary for transition by DOE and with the Phase-In Plan (Attachment B) submitted with the agency tender.

B. Period of Performance and Estimated Cost

Performance of the PWS will be provided during a 120-day Phase-In Period and one 24-month Base Period. Three 12-month Option Periods are available for continued performance under this LOO. The exercise of the options is dependent upon the MEO performing at an acceptable level. All performance periods are subject to available appropriations.

As an incentive for performance, four 6-month award terms are included in the period of performance. Successful performance of the base period will entitle the MEO to the first award term. Future successful performance of each option period will entitle the MEO to an additional award term. Failure of the MEO to perform at a level to receive the associated award term during any part of the performance period voids all award terms

earned and removes the possibility of earning any future award terms.

Period	Start Date	End Date	Estimated Cost
Phase-In (120 days)	Dec. 05, 2005	April 04, 2006	\$3,131,047
Base One (12 mos)	April 05, 2006	April 04, 2007	\$21,246,757
Base Two (12 mos)	April 05, 2007	April 04, 2008	\$20,244,522
Option Year 1	April 05, 2008	April 04, 2009	\$18,917,846
Option Year 2	April 05, 2009	April 04, 2010	\$19,620,138
Option Year 3	April 05, 2010	April 04, 2011	\$20,403,276
Award Term 1	April 05, 2011	October 04, 2011	\$10,608,870
Award Term 2	October 05, 2011	April 04, 2012	\$10,608,870
Award Term 3	April 05, 2012	October 04, 2012	\$11,062,063
Award Term 4	October 05, 2012	April 04, 2013	\$11,062,063
Total			\$146,905,452

This LOO may be extended for an additional three-year period beyond the periods identified above in accordance with OMB Circular A-76.

2. Reporting Requirements

The MEO is required to submit the deliverables specified in the PWS, including actual cost reporting. In addition, the following information and/or reports for the Office of Management and Budget is required to be provided:

- a) The actual number of FTEs in the MEO performing the work during each performance period;
- b) How many of the actual number of filled positions are encumbered by save pay (this cost is not attributable to cost of the competition; however, once the employee is gone the MEO budget will change);
- c) Validation of the performance period profile by running the actual MEO performance/annual cost in COMPARE to ensure the MEO is performing within the tender profile;
- d) Indicate whether performance changed from the Service Provider indicated in the previous performance/annual period, including the reason for change to a new Service Provider;
- e) The actual cost for any/all MEO subcontracts for each performance/annual period, in thousands of dollars, rounded to the nearest whole number; and
- f) Identification of any functions that were reduced in whole or in part during each performance/annual period, including the reason for the reduction in scope.

3. Inspection and Monitoring of Services

The Contracting Officer shall designate one or more CORs. The COR designation will be in writing and will state the responsibilities of the CORs, to include monitoring, inspecting and acceptance of non-conforming work. Additionally, technical monitors, quality assurance evaluators or other representatives may be designated to assist the CORs.

The MEO will perform all work in accordance with the Quality Control Plan (Attachment C). All work and deliverables will be monitored by the CORs and other designated representatives.

The Contracting Officer may at any time, by written order, make changes within the general scope of this LOO. If any change causes an increase or decrease in the estimated cost, or the time required for performance of any part of the work under this agreement, whether or not changed by the order, or otherwise affects any other terms and conditions of this LOO, the Contracting Officer will make an equitable adjustment and modify the LOO. The Contracting Officer shall be the only individual authorized to modify any term or condition of this LOO.

4. Special Requirements

- A. DOE may terminate this LOO by following the procedures in OMB Circular A-76 and applicable DOE policy and procedures.
- B. This LOO represents the complete and exclusive statement of the agreement between the parties with regard to the MEO's performance of the PWS. Management of all members of the MEO workforce is the responsibility of the MEO management. The administration and enforcement of any decisions related to the LOO will be in conformance with all laws and regulations governing Federal employment.
- C. Compliance With FIPS Pub 201.

This agreement involves the acquisition of hardware, software, or services related to physical access to Federal premises or electronic authentication or access control to a Federal agency's computer systems and electronic infrastructure. Any such hardware, software, or services delivered under this contract shall comply with FIPS Pub 201, and FIPS Pub 201 shall take precedence over any conflicting performance requirement of this contract. Should the MEO find that the statement of work or specifications of this contract do not conform to FIPS Pub 201, it shall notify the Contracting Officer of such nonconformance and shall act in accordance with instructions of the Contracting Officer.

D. Access To DOE-Owned Or Leased Facilities.

(a) The performance of this agreement requires that employees of the Service Provider have physical access to DOE-owned or leased facilities; however, this clause does not

control requirements for an employee's obtaining a security clearance. The Service Provider understands and agrees that DOE has a prescribed process with which the Service Provider and its employees must comply in order to receive a security badge that allows such physical access. The Service Provider further understands that it must propose employees whose background offers the best prospect of obtaining a security badge approval for access, considering the following criteria, which are not all inclusive and may vary depending on access requirements:

- (1) is, or is suspected of being, a terrorist;
- (2) is the subject of an outstanding warrant;
- (3) has deliberately omitted, concealed, or falsified relevant and material facts from any Questionnaire for National Security Positions (SF-86), Questionnaire for Non-Sensitive Positions (SF-85), or similar form;
- (4) has presented false or forged identity source documents;
- (5) has been barred from Federal employment;
- (6) is currently awaiting a hearing or trial or has been convicted of a crime punishable by imprisonment of six (6) months or longer; or
- (7) is awaiting or serving a form of pre-prosecution probation, suspended or deferred sentencing, probation or parole in conjunction with an arrest or criminal charges against the individual for a crime that is punishable by imprisonment of six (6) months or longer.

(b) The Service Provider shall assure:

(1) In initiating the process for gaining physical access, (i) compliance with procedures established by DOE in providing its employee(s) with any forms directed by DOE, (ii) that the employee properly completes any forms, and (iii) that the employee(s) submits the forms to the person designated by the Contracting Officer.

(2) In completing the process for gaining physical access, that its employee (i) cooperates with DOE officials responsible for granting access to DOE-owned or leased facilities and (ii) provides additional information, requested by those DOE officials.

(c) The Service Provider understands and agrees that DOE may unilaterally deny a security badge to an employee and that the denial remains effective for that employee unless DOE subsequently determines that access may be granted. Upon notice from DOE that an employee's application for a security badge is or will be denied, the Service Provider shall promptly identify and submit the forms referred to in subparagraph (b)(1) of this clause for the substitute employee. The denial of a security badge to individual employees by DOE shall not be cause for extension of the period of performance of this agreement or any Service Provider claim against DOE.

(d) The Service Provider shall return to the Contracting Officer or designee the badge(s) or other credentials provided by DOE pursuant to this clause, granting physical access to

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DOE-owned or leased facilities by the Service Provider's employee(s), upon (1) the termination of this agreement; (2) the expiration of this agreement; (3) the termination of employment on this agreement by an individual employee; or (4) demand by DOE for return of the badge.

(e) The Service Provider shall include this clause, including this paragraph (e), in any subcontract, awarded in the performance of this effort, in which an employee(s) of the subcontractor will require physical access to DOE-owned or leased facilities.

5. Attachments

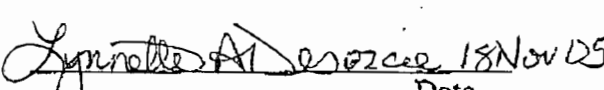

- A Performance Work Statement
- B Phase-In Plan
- C Quality Control Plan

6. Acceptance

This LOO shall govern performance by the MEO for the services identified in the PWS and competed under OMB Circular A-76, dated May 29, 2003.

For the Department:

For the MEO:

Lynnette A. Desorcie 18 Nov 05 _____ 11/18/05
 Contracting Officer Date Agency Tender Official Date

Distribution: