

**ORDER FOR SUPPLIES OR SERVICES**

**IMPORTANT: Mark all packages and papers with contract and/or order numbers.**

1. DATE OF ORDER 09/24/2007		2. CONTRACT NO. (If any) GS-10F-0052R		6. SHIP TO: a. NAME OF CONSIGNEE Department of Homeland Security	
3. ORDER NO. HSHQDC-07-F-00232		4. REQUISITION/REFERENCE NO. RUPC-07-00054		b. STREET ADDRESS 245 Murray Lane Bldg. 410	
5. ISSUING OFFICE (Address correspondence to) U.S. Dept. of Homeland Security Office of Procurement Operations Dept. Operations Acquisition Div. Attn: Brenda Peterson 245 Murray Lane, SW, Building 410 Washington DC 20528		c. CITY Washington		d. STATE DC	e. ZIP CODE 20528
7. TO: a. NAME OF CONTRACTOR CENSEO CONSULTING GROUP INC		b. COMPANY NAME		f. SHIP VIA	
c. STREET ADDRESS 1001 CONNECTICUT AVE NW SUITE 1128		d. CITY WASHINGTON		e. STATE DC	f. ZIP CODE 20036
9. ACCOUNTING AND APPROPRIATION DATA See Schedule		10. REQUISITIONING OFFICE U.S. Dept. of Homeland Security			
11. BUSINESS CLASSIFICATION (Check appropriate box(es)) <input type="checkbox"/> a. SMALL <input type="checkbox"/> b. OTHER THAN SMALL <input checked="" type="checkbox"/> c. DISADVANTAGED <input type="checkbox"/> g. SERVICE-DISABLED VETERAN-OWNED <input type="checkbox"/> d. WOMEN-OWNED <input type="checkbox"/> e. HUBZone <input type="checkbox"/> f. EMERGING SMALL BUSINESS		12. F.O.B. POINT Destination			
13. PLACE OF a. INSPECTION Destination		14. GOVERNMENT B/L NO.		15. DELIVER TO F.O.B. POINT ON OR BEFORE (Date)	
b. ACCEPTANCE Destination				16. DISCOUNT TERMS Net 30	

17. SCHEDULE (See reverse for Rejections)

ITEM NO. (a)	SUPPLIES OR SERVICES (b)	QUANTITY ORDERED (c)	UNIT (d)	UNIT PRICE (e)	AMOUNT (f)	QUANTITY ACCEPTED (g)
	Tax ID Number: 16-1669947 DUNS Number: 132220604+0000  Continued ...					

18. SHIPPING POINT		19. GROSS SHIPPING WEIGHT		20. INVOICE NO.		17(h) TOTAL (Cont. pages)
21. MAIL INVOICE TO:						
a. NAME CFO/DOB - Room 3621						17(i) GRAND TOTAL
b. STREET ADDRESS (or P.O. Box) Attn: DOB Invoice Team 245 Murray Lane, SW Bldg. 410 DOB-Invoice@dhs.gov				\$951,095.50		
c. CITY Washington		d. STATE DC	e. ZIP CODE 20528	\$951,095.50		

22. UNITED STATES OF AMERICA BY (Signature)		23. NAME (Typed) Brenda Peterson TITLE: CONTRACTING/ORDERING OFFICER	
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**ORDER FOR SUPPLIES OR SERVICES  
SCHEDULE - CONTINUATION**

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**IMPORTANT:** Mark all packages and papers with contract and/or order numbers.

DATE OF ORDER 09/24/2007	CONTRACT NO. GS-10F-0052R	ORDER NO. HSHQDC-07-F-00232
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ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY ORDERED (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)	QUANTITY ACCEPTED (G)
	Admin Office: U.S. Dept. of Homeland Security Office of Procurement Operations Dept. Operations Acquisition Div. Attn: Brenda Peterson 245 Murray Lane, SW, Building 410 Washington DC 20528  Mark For: Department of Homeland Security Office of Procurement Operations 245 Murray Lane Bldg. 410 Washington DC 20528  Accounting Info: (                      b(2)                      ) Period of Performance: 09/28/2007 to 09/27/2012					
0001	Analytical and Programmatic Support Services for the Department of Homeland Security (DHS) Strategic Sourcing Program (SSP) in accordance with the attached Performance Work Statement (PWS)  Period of Performance: 9/28/2007 - 4/30/2008 Product/Service Code: R699 Product/Service Description: OTHER ADMINISTRATIVE SUPPORT SERVICES	(		b(4)		)
0002	Other Direct Costs (ODCs)/Non-local travel (not-to-exceed) in support of Item 0001  Period of Performance: 9/28/2007 - 4/30/2008  Product/Service Code: R699 Product/Service Description: OTHER ADMINISTRATIVE SUPPORT SERVICES	(		b(4)		)
0003	Optional Line Item Analytical and Programmatic Support Services for the DHS SSP for the period Continued ...				0.00	

TOTAL CARRIED FORWARD TO 1ST PAGE (ITEM 17(H))

**ORDER FOR SUPPLIES OR SERVICES  
SCHEDULE - CONTINUATION**

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DATE OF ORDER 09/24/2007	CONTRACT NO. GS-10F-0052R	ORDER NO. HSHQDC-07-F-00232
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ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY ORDERED (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)	QUANTITY ACCEPTED (G)
	05/01/2008 - 09/27/2008					
	Amount: ( b(4) ) 03/20/2008 Product/Service Code: R799 Product/Service Description: OTHER MANAGEMENT SUPPORT SERVICES					
0004	Optional Line Item ODCs/Non-Local Travel (not-to-exceed) in support of Item 0003 for the period 05/01/2008 - 09/27/2008  Amount: ( b(4) ) 03/20/2008 Product/Service Code: R799 Product/Service Description: OTHER MANAGEMENT SUPPORT SERVICES				0.00	
0005	Optional Line Item Analytical and Programmatic Support Services for the DHS SSP for the period 09/28/2008 - 09/27/2009  Amount: ( b(4) ) Item) 08/17/2008 Product/Service Code: R799 Product/Service Description: OTHER MANAGEMENT SUPPORT SERVICES				0.00	
0006	Optional Line Item ODCs/Non-Local Travel (not-to-exceed) in support of Item 0005 for the period 09/28/2008 - 09/27/2009  Amount: ( b(4) ) 08/17/2008 Product/Service Code: R799 Product/Service Description: OTHER Continued ...				0.00	

TOTAL CARRIED FORWARD TO 1ST PAGE (ITEM 17(H))

**ORDER FOR SUPPLIES OR SERVICES  
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DATE OF ORDER  
09/24/2007

CONTRACT NO.  
GS-10F-0052R

ORDER NO.  
HSHQDC-07-F-00232

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY ORDERED (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)	QUANTITY ACCEPTED (G)
	<b>MANAGEMENT SUPPORT SERVICES</b>					
0007	Optional Line Item Analytical and Programmatic Support Services for the DHS SSP for the period 09/28/2009 - 09/27/2010  Amount: (        b(4)        ) Item) 08/17/2009 Product/Service Code: R799 Product/Service Description: OTHER MANAGEMENT SUPPORT SERVICES				0.00	
0008	Optional Line Item ODCs/Non-Local Travel (not-to-exceed) in support of Item 0007 for the period 09/28/2009 - 09/27/2010  Amount: (        b(4)        ) 08/17/2009 Product/Service Code: R799 Product/Service Description: OTHER MANAGEMENT SUPPORT SERVICES				0.00	
0009	Optional Line Item Analytical and Programmatic Support Services for the DHS SSP for the period 09/28/2010 - 09/27/2011  Amount: (        b(4)        ) Item) 08/17/2010 Product/Service Code: R799 Product/Service Description: OTHER MANAGEMENT SUPPORT SERVICES				0.00	
0010	Optional Line Item ODCs/Non-Local Travel (not-to-exceed) in support of Item 0009 for the period 09/28/2010 - 09/27/2011  Amount: (        b(4)        ) 08/17/2010 Continued ...				0.00	

TOTAL CARRIED FORWARD TO 1ST PAGE (ITEM 17(H))

**ORDER FOR SUPPLIES OR SERVICES  
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DATE OF ORDER

CONTRACT NO.

ORDER NO.

09/24/2007

GS-10F-0052R

HSHQDC-07-F-00232

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY ORDERED (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)	QUANTITY ACCEPTED (G)
0011	Product/Service Code: R799 Product/Service Description: OTHER MANAGEMENT SUPPORT SERVICES  Optional Line Item Analytical and Programmatic Support Services for the DHS SSP for the period 09/28/2011 - 09/27/2012  Amount: ( b(4) ) Item) 08/17/2011 Product/Service Code: R799 Product/Service Description: OTHER MANAGEMENT SUPPORT SERVICES				0.00	
0012	Optional Line Item ODCs/Non-Local Travel (not-to-exceed) in support of Item 0011 for the period 09/28/2011 - 09/27/2012  Amount: ( b(4) ) 08/17/2011 Product/Service Code: R799 Product/Service Description: OTHER MANAGEMENT SUPPORT SERVICES  The total amount of award: \$8,379,561.00. The obligation for this award is shown in box 17(i).				0.00	

TOTAL CARRIED FORWARD TO 1ST PAGE (ITEM 17(H))

**PERFORMANCE WORK STATEMENT  
DEPT. OF HOMELAND SECURITY, STRATEGIC SOURCING PROGRAM  
ANALYTICAL AND PROGRAMMATIC SUPPORT**

**1.0 Scope.** This Statement of Work defines the scope of analytical and program management support required to execute the Dept. of Homeland Security (DHS), Strategic Sourcing Program (SSP), inclusive of overarching operating goals and daily execution of subordinate functions. The Contractor is responsible for establishing and accomplishing a comprehensive program to meet the program objectives set forth by the Director, SSP in consonance with the performance criteria herein and with the scope of provisions of the Quality Assurance Surveillance Plan (QASP)<sup>1</sup>. The scope of activities included in this effort is predicated upon developing an analytical framework for capturing agency requirements based upon legacy performance; accomplishing trend analysis and effective forecasting of DHS needs; providing analytical outputs and recommendations to SSP staff to identify commodity council objectives and priorities; and continually assessing performance of various commodity council initiatives as an element of a comprehensive program approach. Recurring performance facets include direct application of analytical practices suitable for (spend) data gathering from the Federal Procurement Data System-Next Generation (FPDS-NG) and other sources; assessing current DHS procurement strategies within portfolio (family) groups; benchmarking industry and government best practices; developing briefings, point papers, and related products that support commodity council objectives; and providing subject matter expertise within the relevant performance areas.

**1.1 Background.** The Homeland Security Act of 2002 united 22 previously disparate domestic agencies into one coordinated department to protect the nation against threats to the Homeland and created 35 new offices. The Department of Homeland Security's (DHS) mission is to prevent terrorist attacks within the United States, reduce America's vulnerability to terrorism, and minimize damage from potential attacks and natural disasters. Thereafter, strategic sourcing was delineated as a "critical initiative" in the May 20, 2005, Office of Management and Budget (OMB), memorandum entitled, "Implementing Strategic Sourcing." Preceding the OMB guidance, the Strategic Sourcing Program (SSP) was established with the mission of achieving enterprise-wide functional integration of commodity and service acquisitions that would stand to benefit the DHS constituency. The DHS SSP has delivered ~\$240 million in price reductions and cost avoidance from FY2004 through FY2006 across 8 family (e.g., portfolio) groupings represented functionally by the 8 core Commodity Councils.

The SSP consists of the development and implementation of the DHS-wide strategic sourcing initiatives, beginning with spend analysis and the identification of commodities for which strategic sourcing initiatives can generate improvements to investment (by creating economies of scale), mission performance, management effectiveness, and/or more timely delivery of commodities and services. Derived from these operating principles, the SSP has implemented a five-step strategic sourcing process to respond to these mission requirements:

- Organize and launch councils in accordance with priorities;
- Develop charter and goals based upon measurable timelines and objectives;
- Conduct analysis to support business case development, course of action selection, and procurement strategy recommendations;

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<sup>1</sup> Reference Attachment 1

- Develop Category Management Plan(s) (CMPs) and other supporting documentation to effect execution of business case analyses/course of action selection; and
- Implement and manage a work breakdown structure that effectively supports both the overall objectives, as well as daily execution of SSP initiatives.

The SSP was able to target ~\$9 billion of the \$14 billion DHS FY06 discretionary funding in support of acquisition efforts for potential strategic sourcing alignment. There are currently 14 Commodity Councils engaged in enterprise-wide acquisition strategies aligned with the 8 commodity families and their aggregate investment<sup>2</sup>

• Logistics	\$2.48B
• Professional Services	\$2.38B
• Information Technology	\$1.82B
• Facilities	\$3.58B
• Support Services	\$431M
• Operations & Supplies	\$389M
• Utilities	\$160M
• Equipment	\$167M

Within this portfolio makeup, commodity councils are engaged in varying levels of activity to identify and define opportunities for improved acquisition of: Weapons; energy; copiers; mail services; office supplies; boats and watercraft; aviation equipment and services; uniforms; fleet operations; facilities; facilities security; professional services; training; and information technology (IT). The DHS Commodity Councils include 260 active members from United States Coast Guard, Customs and Border Protection, Federal Emergency Management Agency, Federal Law Enforcement Training Center, Immigration and Customs Enforcement, Secret Service, and the Transportation Security Agency.

**2.0 General Requirements.** The Contractor shall provide continuous support for the work requirements delineated in this Performance Work Statement (PWS) as generally aligned with the percentage effort stipulated:

<b>Activity – Anticipated Percentage</b>		<b>Para</b>	<b>Metric</b>
Business Analysis & Decision Support	45%	2.1.1	Ref: QASP Standards
Governance & Commodity Council Support	45%	2.1.2	
Management & Administration	10%	2.1.3	

The scope of work associated with each of these task activities may vary slightly by program precedent and volume throughout the performance period. The Contractor is responsible for providing suitable technical and analytical expertise to support ongoing responsibilities delineated by activity, as well as variances in the scope of activities. The Contractor shall appoint a technical manager to act as coordinator of task activities and to serve as the overall expert for successful completion of this task initiative. Administrative support shall be provided as required on a matrix basis.

<sup>2</sup> Based upon FPDS-NG data compiled across FY05 and 2Q/FY06

## **2.1 Specific Requirements.**

**2.1.1. Business Analysis & Decision Support.** The DHS Strategic Sourcing Program Office (SSPO) is responsible for examining DHS investment trends, analyzing the scope and effectiveness of that investment, and exploiting opportunities for improving economy and performance related to mission driven requirements. Outputs from the analysis are used to quantify such attributes as agency-specific spend, mission alignment, market conditions, effectiveness of current procurement methods, and to define objective elements of improvement. These results further support prioritization of investment and identification of stakeholders roles that, objectively, lead to a course of action (COA) selection associated with various combinations of alternatives. The Contractor is responsible for supporting this effort by implementing a decision support framework for establishing baseline business conditions derived through comprehensive analysis, including overall DHS spend, agency specific priorities, and commodity specific concentrations. Key facets of the decision support apparatus include implementing a data collection framework (e.g., FPDS-NG, market research, interviews) and providing analysis of findings to SSP staff and Commodity Council members. From this analysis, further development of business case criteria leading to rational, empirical COA recommendations (e.g., portfolio creation, Return on Investment (ROI), volume concentrations, market conditions, frequency of actions, etc.) can be established. Critical elements of this process include using the data outputs to better align DHS requirements and market capabilities, defining accurate Cost Estimating Relationships (CERs) derived from the empirical data set (e.g., sensitivities), and implementing a decision support framework that allows for "what if" scenario excursions and quantification of results (cost, risk, measures of performance, measures of effectiveness). Aggregate products of this effort include notional acquisition strategies, risk assessments (market, agency, procurement), and related elements of business intelligence suitable for briefing DHS leadership and key decision-makers.

**2.1.2 Governance & Commodity Council Support.** The SSPO is responsible for effectively implementing and executing a program of effective governance that supports the goals and objectives of the strategic sourcing program within DHS<sup>3</sup>. As the nexus for this initiative, the SSPO has the responsibility for all functional requirements across the agency as related to strategic sourcing. This includes executing the charter, roles, and responsibilities of the associated commodity councils as part of an integrated business enterprise. In this respect, the commodity councils exist as the medium for vetting analytical products, findings, and initial recommendations on behalf of the component agencies within DHS. Each council further encompasses one, or more of the 8 families (e.g., portfolios) of requirements and serves as a "steering team" for further agency actions. The Contractor is responsible for supporting this effort with a defined methodology for evolving the data analysis and attendant business intelligence into executable strategies aligned with agency requirements and priorities, as well as market conditions. This includes identifying, or implementing changes to existing portfolios (e.g., families), updating documentation and materials to reflect changes, and ensuring the accuracy of modified content. Key facets of performance include assessing current "as is" procurement methods in contrast to data trends, providing guidance in developing improved acquisition strategies, and managing the recurring (e.g., daily, ad hoc) requirements associated with council execution.

**2.1.3 Management & Administration.** The SSPO is responsible for establishing a cohesive management framework that ensures the objectives of this task are executed within program constraints and aligned with the objectives agreed upon by acceptance of the Contractor's proposal. This includes managing those elements necessary to support successful daily

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<sup>3</sup> Policy and procedures set forth at DHS Management Directive #731



execution (e.g., core staffing, WBS development, project scheduling) and coordinating activities among internal and external stakeholders. These daily activities support execution of the overarching SSP, its attendant goals and objectives, and optimization of component agency participation. The Contractor is responsible for establishing a suitable core staff mix, defining activity schedules and milestones, identifying and coordinating deliverables (e.g., recurring, discrete), and ensuring the quality of draft and final products consistent with criteria set forth in the QASP<sup>4</sup>. Additional requirements including establishing necessary infrastructure (e.g., databases, file structures, spreadsheets, project plans, reporting framework) necessary to ensure continuity and cohesion across the WBS elements. Specific responsibilities between the Government and Contractor, as well as a final schedule of activities and deliverables for the first 90-days of execution shall be coordinated within 10-days of task order award, reviewed and updated quarterly, and modified only through bilateral agreement of the principals. Within 30-days of award the Contractor will provide their Quality Plan based upon the criteria set for in the QASP and mutually agreed upon between the SSP Director and the Contractor PM.

**3.0 Facilities, Travel and ODC Requirements.** The Contractor will be provided with workspaces in Rm. 3310 of the DHS Headquarters facility at 7<sup>th</sup> and D St. This includes all elements of network access, computers, telephone, and other conventional office equipment. On occasion, the Contractor may be required to provide facilities for meetings and IPTs (e.g., 10-20 personnel) at offsite locations, and to maintain suitable infrastructure at their office location to manage program requirements (application software, document library, databases) throughout the course of performance. Local and other CONUS travel may be required. Other Direct Charges (ODCs) anticipated with the cost of business (e.g., cellular service, printing etc.) should be identified at the time of proposal submission. Internal service charges (e.g., computer time, leasing equipment) are disallowed under this task order. The Contractor is required to be fully facilitated with all ancillary equipment necessary for their staff to function at full potential upon award.

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<sup>4</sup> SSPO recommends using a conventional WBS development process to align resources, establish timelines, and to track suspense dates for deliverables. Quality measures are the responsibility of the Contractor and should be accordingly tailored for the complexity of the task effort.

## ATTACHMENT 1

## QUALITY ASSURANCE SURVEILLANCE PLAN

**1. Objective.** This Quality Assurance Surveillance Plan (QASP) serves as the principal basis for assessing overall performance quality associated with the DHS Strategic Sourcing Program (SSP) task effort. This document will be used by the Government to assess the effectiveness of the Contractor's management and technical services. This QASP provides the methodology by which the Contractor's performance will be monitored to determine compliance with established performance objectives and to establish performance benchmarks that ensure a quantifiable basis for measuring effectiveness. The plan is designed so that surveillance is limited to that which is necessary to verify the Contractor is performing management and technical services satisfactorily and relates directly to performance objectives of the performance objectives delineated in the PWS.

**2. Government Surveillance.** The SSP Director (e.g., COR) will function as the Technical Representative for this task, and his authority will be limited to administering specific technical aspects of the task order. The Technical Representative will not provide direction that is outside the scope of responsibilities delineated under this task order and will defer any conditional interpretations to the Contracting Officer. The Technical Representative will:

- Maintain a detailed knowledge of the technical requirements of the contract;
- Document Contractor performance in accordance with the QASP;
- Identify and immediately forward notifications of deficient, or non-compliant performance to the Contracting Officer;
- Approve priorities of support, resources, and associated schedules.

**3. Surveillance Methods.** Surveillance of Contractor performance is the method used by the Government to determine whether the contractor is effectively and efficiently complying with all terms and conditions of the task order. In addition to statistical analysis, the functional expertise of the Technical Representative plays a critical role in adequately evaluating contractor performance. The below listed methods of surveillance shall be used in the administration of this QASP and the standards are delineated by WBS element in the Performance Requirements Survey (PRS) table at Enclosure (1):

Demonstration. A qualification method that is carried out by operation and relies on observable functional operation. It does not require the use of instrumentation or special test equipment;

Inspection. A qualification method that is carried out by visual examination of software code, data captured in special test equipment, documentation, or hard copy printouts. The government will inspect software drops for bugs and content; and

Analysis. A qualification method that is carried out by examining and assessing the application of techniques in order to determine if they are appropriate and sufficient.

**4. Performance Requirements.** The performance requirements set forth in this section correspond to the PWS paragraphs delineated in the table. Enclosure (1) of this document provides standards for performance for specific requirements:

Business Analysis & Decision Support. The Contractor will be evaluated on the quality of their data collection methods, recurring and ad hoc analysis supporting defined program objectives, effectiveness of their collaboration with government program sponsors, and implementation of a decision support program tied to quantifiable performance measures.

Governance & Commodity Council Support. The Contractor will be evaluated on the quality of their transition of analytical products into effective COAs; their support for portfolio and commodity council objectives leading to positive outcomes and products; and their overall ability to create improvements in DHS investment and acquisition strategies.

Management & Administration. The Contractor will be evaluated on the quality of their overall technical management strategy; ability to identify and preclude problems, or resolve issues; and their effective use of resources to meet customer expectations and schedules. This includes execution of an overall quality program for both draft and final products, ensuring the consistent integrity of analytical findings, and associated outputs (e.g., papers, briefings, presentations).

**Enclosure 1**  
**PERFORMANCE REQUIREMENTS SURVEY (PRS)**

<b>Performance Objective</b>	<b>PWS</b>	<b>Performance Standard</b>	<b><sup>5</sup>Quality Level</b>	<b>Method of Surveillance</b>
Business Analysis & Decision Support	2.1.1	Acceptable performance has been met when the data collection methods, process integrity, and program measures illustrate acceptable levels of consistency.	Excellent Acceptable Poor	Inspection Demonstration
Governance & Commodity Council Support	2.1.2	Acceptable performance has been met when the products and objectives defined within the portfolio construct and priorities of initiatives within the councils illustrate acceptable levels of consistency.	Excellent Acceptable Poor	Analysis Demonstration
Management & Administration	2.1.3	Acceptable performance has been met when the Contractors quality standards and products consistently produce acceptable products using optimal resources, compliant with prescribed schedules, and the mutually agreed upon quality performance standards.	Excellent Acceptable Poor	Inspection Analysis Demonstration

<sup>5</sup> Numerical values for the adjectival ratings are: <.95 standards compliance – Excellent; .85 - .95 standards compliance – Acceptable; and >.85 standards compliance – Poor.

**ADDITIONAL CLAUSES**

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address (s): <http://www.acqnet.gov>

**I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSE**

- 52.204-9 PERSONAL IDENTITY VERIFICATION OF CONTRATOR PERSONNEL (NOV 2006)
- 52.239-1 PRIVACY OR SECURITY SAFEGUARDS (AUG 1996)

**52.217-8 OPTION TO EXTEND SERVICES (NOV 1999)**

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

**52.217-9 OPTION TO EXTEND THE TERM OF THE CONTRACT ( MAR 2000)**

(a) The Government may extend the term of this contract by written notice to the Contractor within 30 days, provided that the Government gives the Contractor a preliminary written notice of its intent to extend at least 30 days before the contract expires. The preliminary notice does not commit the Government to an extension.

(b) If the Government exercises this option, the extended contract shall be considered to include this option clause.

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed 60 months.

**II. HOMELAND SECURITY ACQUISITION REGULATION (48 CFR CHAPTER 30) CLAUSES**

**3052.204-71 CONTRACTOR EMPLOYEE ACCESS (JUN 2006)**

(a) *Sensitive Information*, as used in this Chapter, means any information, the loss, misuse, disclosure, or unauthorized access to or modification of which could adversely affect the national or homeland security interest, or the conduct of Federal programs, or the privacy to which individuals are entitled under section 552a of title 5, United States Code (the Privacy Act), but which has not been specifically authorized under criteria established by an Executive Order or an Act of Congress to be kept secret in the interest of national defense, homeland security or foreign policy. This definition includes the following categories of information:

(1) Protected Critical Infrastructure Information (PCII) as set out in the Critical Infrastructure Information Act of 2002 (Title II, Subtitle B, of the Homeland Security Act, Public Law 107-296, 196 Stat. 2135), as amended, the implementing regulations thereto (Title 6, Code of Federal

Regulations, Part 29) as amended, the applicable PCII Procedures Manual, as amended, and any supplementary guidance officially communicated by an authorized official of the Department of Homeland Security (including the PCII Program Manager or his/her designee);

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

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

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

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

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

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

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

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

**3052.209-70 PROHIBITION ON CONTRACTS WITH CORPORATE EXPATRIATES  
(JUN 2006)**

(a) Prohibitions.

Section 835 of the Homeland Security Act, 6 U.S.C. 395, prohibits the Department of Homeland Security from entering into any contract with a foreign incorporated entity which is treated as an inverted domestic corporation as defined in this clause, or with any subsidiary of such an entity. The Secretary shall waive the prohibition with respect to any specific contract if the Secretary determines that the waiver is required in the interest of national security.

(b) Definitions. As used in this clause:

*Expanded Affiliated Group* means an affiliated group as defined in section 1504(a) of the Internal Revenue Code of 1986 (without regard to section 1504(b) of such Code), except that section 1504 of such Code shall be applied by substituting 'more than 50 percent' for 'at least 80 percent' each place it appears.

*Foreign Incorporated Entity* means any entity which is, or but for subsection (b) of section 835 of the Homeland Security Act, 6 U.S.C. 395, would be, treated as a foreign corporation for purposes of the Internal Revenue Code of 1986.

*Inverted Domestic Corporation.* A foreign incorporated entity shall be treated as an inverted domestic corporation if, pursuant to a plan (or a series of related transactions)—

(1) The entity completes the direct or indirect acquisition of substantially all of the properties held directly or indirectly by a domestic corporation or substantially all of the properties constituting a trade or business of a domestic partnership;

(2) After the acquisition at least 80 percent of the stock (by vote or value) of the entity is held—  
(i) In the case of an acquisition with respect to a domestic corporation, by former shareholders of the domestic corporation by reason of holding stock in the domestic corporation; or  
(ii) In the case of an acquisition with respect to a domestic partnership, by former partners of the domestic partnership by reason of holding a capital or profits interest in the domestic partnership; and

(3) The expanded affiliated group which after the acquisition includes the entity does not have substantial business activities in the foreign country in which or under the law of which the entity is created or organized when compared to the total business activities of such expanded affiliated group.

*Person, domestic, and foreign* have the meanings given such terms by paragraphs (1), (4), and (5) of section 7701(a) of the Internal Revenue Code of 1986, respectively.

(c) Special rules. The following definitions and special rules shall apply when determining whether a foreign incorporated entity should be treated as an inverted domestic corporation.

(1) *Certain Stock Disregarded.* For the purpose of treating a foreign incorporated entity as an inverted domestic corporation these shall not be taken into account in determining ownership:

- (i) Stock held by members of the expanded affiliated group which includes the foreign incorporated entity; or
- (ii) stock of such entity which is sold in a public offering related to the acquisition described in subsection (b)(1) of Section 835 of the Homeland Security Act, 6 U.S.C. 395(b)(1).

(2) *Plan Deemed In Certain Cases.* If a foreign incorporated entity acquires directly or indirectly substantially all of the properties of a domestic corporation or partnership during the 4-year period beginning on the date which is 2 years before the ownership requirements of subsection (b)(2) are met, such actions shall be treated as pursuant to a plan.

(3) *Certain Transfers Disregarded.* The transfer of properties or liabilities (including by contribution or distribution) shall be disregarded if such transfers are part of a plan a principal purpose of which is to avoid the purposes of this section.

(d) *Special Rule for Related Partnerships.* For purposes of applying section 835(b) of the Homeland Security Act, 6 U.S.C. 395(b) to the acquisition of a domestic partnership, except as provided in regulations, all domestic partnerships which are under common control (within the meaning of section 482 of the Internal Revenue Code of 1986) shall be treated as a partnership.

(e) *Treatment of Certain Rights.*

(1) Certain rights shall be treated as stocks to the extent necessary to reflect the present value of all equitable interests incident to the transaction, as follows:

- (i) warrants;
- (ii) options;
- (iii) contracts to acquire stock;
- (iv) convertible debt instruments; and
- (v) others similar interests.

(2) Rights labeled as stocks shall not be treated as stocks whenever it is deemed appropriate to do so to reflect the present value of the transaction or to disregard transactions whose recognition would defeat the purpose of Section 835.

(f) *Disclosure.* The offeror under this solicitation represents that [Check one]:  it is not a foreign incorporated entity that should be treated as an inverted domestic corporation pursuant to the criteria of (HSAR) 48 CFR 3009.104-70 through 3009.104-73;  it is a foreign incorporated entity that should be treated as an inverted domestic corporation pursuant to the criteria of (HSAR) 48 CFR 3009.104-70 through 3009.104-73, but it has submitted a request for waiver pursuant to 3009.104-74, which has not been denied; or  it is a foreign incorporated entity that should be treated as an inverted domestic corporation pursuant to the criteria of (HSAR) 48 CFR 3009.104-70 through 3009.104-73, but it plans to submit a request for waiver pursuant to 3009.104-74.

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

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

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

(b) The nature of this conflict is the Contractor's involvement in developing requirements, work statements, or solicitation specifications

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

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

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

**3052.242-72 CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE  
(DEC 2003)**

(a) The Contracting Officer may designate Government personnel to act as the Contracting Officer's Technical Representative (COTR) to perform functions under the contract such as review or inspection and acceptance of supplies, services, including construction, and other functions of a technical nature. The Contracting Officer will provide a written notice of such designation to the Contractor within five working days after contract award or for construction, not less than five working days prior to giving the contractor the notice to proceed. The designation letter will set forth the authorities and limitations of the COTR under the contract.

(b) The Contracting Officer cannot authorize the COTR or any other representative to sign documents, such as contracts, contract modifications, etc., that require the signature of the Contracting Officer.

**III. ADDITIONAL CLAUSES**

**NON-PERSONAL SERVICES**

(a) The Government and the Contractor understand and agree that the services delivered by the Contractor to the Government are non-personal services. The parties also recognize and agree that no employer-employee or master-servant relationship exists or will exist between the Government and the Contractor. The Contractor and the Contractor's employees are not employees of the Federal Government and are not eligible for entitlement and benefits given federal employees.

(b) Contractor personnel under this contract shall not (i) be placed in a position where there is an appearance that they are employed by a Federal Officer, or are under the supervision, direction, or evaluation of a Federal Officer, or (ii) be placed in a position of command, supervision, administration or control over Government personnel.



## **Implementing Instructions for Compliance with HSAR clause 3052.204-71, "Contractor Employee Access"**

### **1. GENERAL**

Department of Homeland Security Acquisition Regulation (HSAR) clause 3052.204-71 requires that contractor personnel requiring unescorted access to government facilities, access to sensitive information, or access to government information technology (IT) resources are required to have a favorably adjudicated background investigation prior to commencing work on this contract.

Department of Homeland Security (DHS) policy requires a favorably adjudicated background investigation prior to commencing work on this contract for all contractor personnel who require recurring access to government facilities or access to sensitive information, or access to government IT resources.

Contractor employees will be given a suitability determination unless this requirement is waived under Departmental procedures. Requirements for suitability determination are defined in paragraph 3.0.

#### **1.1 ADDITIONAL INFORMATION FOR CLASSIFIED CONTRACTS:**

Performance of this contract requires the Contractor to gain access to classified National Security Information (includes documents and material). Classified information is Government information which requires protection in accordance with Executive Order 12958, National Security Information (NSI) as amended and supplemental directives.

The Contractor shall abide by the requirements set forth in the DD Form 254, Contract Security Classification Specification, an attachment to the contract, and the National Industrial Security Program Operating Manual (NISPOM) for protection of classified information at its cleared facility, if applicable, as directed by the Defense Security Service. If the Contractor is required to have access to classified information at a DHS or other Government Facility, it shall abide by the requirements set forth by the agency.

#### **1.2 GENERAL REQUIREMENT:**

The Contractor shall ensure these instructions are expressly incorporated into any and all subcontracts or subordinate agreements issued in support of this contract.

### **2. CONTRACTOR PERSONNEL**

#### **2.1 EMPLOYMENT ELIGIBILITY**

To comply with the requirements HSAR Clause 3052.204-71, and Department policy, the contractor must complete the following forms for applicable personnel who will be performing work under this contract as indicated:

- Standard Form (SF) 85P, "Questionnaire for Public Trust Positions"
- FD-258 fingerprint cards
- DHS Form 11000-6, "Conditional Access to Sensitive But Unclassified Information Non-Disclosure Agreement". Required of all applicable contractor personnel.

- DHS Form 11000-9, "Disclosure and Authorization Pertaining to Consumer Reports Pursuant to the Fair Credit Reporting Act (FCRA)"

## **2.2 CONTINUED ELIGIBILITY**

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

## **2.3 TERMINATION**

The DHS Security Office shall be notified of all terminations/resignations within five (5) days of occurrence. The Contractor shall return to the Contracting Officer Technical Representative (COTR) all DHS issued identification cards and building passes that have either expired or have been collected from terminated employees. If an identification card or building pass is not available to be returned, a report shall be submitted to the COTR, referencing the pass or card number, name of individual to who it was issued and the last known location and disposition of the pass or card.

## **3.0 SUITABILITY DETERMINATION**

DHS may, as it deems appropriate, authorize and grant a favorable entry on duty (EOD) decision based on preliminary suitability checks. The favorable EOD decision would allow the employees to commence work temporarily prior to the completion of the full investigation. The granting of a favorable EOD decision shall not be considered as assurance that a full employment suitability authorization will follow. A favorable EOD decision or a full employment suitability determination shall in no way prevent, preclude, or bar DHS from withdrawing or terminating access government facilities or information, at any time during the term of the contract. No employee of the Contractor shall be allowed unescorted access to a Government facility without a favorable EOD decision or suitability determination by the Security Office.

Contract employees waiting for an EOD decision may begin work on the contract provided they do not access sensitive Government information. Limited access to Government buildings is allowable prior to the EOD decision if the Contractor is escorted by a Government employee. This limited access is to allow Contractors to attend briefings, non-recurring meetings and begin transition work.

## **4.0 BACKGROUND INVESTIGATIONS**

Contract employees (to include applicants, temporaries, part-time and replacement employees) under the contract, requiring access to sensitive information, shall undergo a position sensitivity analysis based on the duties each individual will perform on the contract. The results of the position sensitivity analysis shall identify the appropriate background investigation to be conducted. All background investigations will be processed through the DHS Security Office. Prospective Contractor employees shall submit the following completed forms to the DHS Security Office. The Standard Form 85P will be completed electronically, through the Office of Personnel Management's e-QIP SYSTEM. The completed forms must be given to the DHS Security Office no less than thirty (30) days before the start date of the contract or thirty (30) days prior to entry on duty of any employees, whether a replacement, addition, subcontractor employee, or vendor:

- a. Standard Form 85P, "Questionnaire for Public Trust Positions"

- b. FD Form 258, "Fingerprint Card" (2 copies)
- c. DHS Form 11000-6 "Conditional Access To Sensitive But Unclassified Information Non-Disclosure Agreement"
- d. DHS Form 11000-9, "Disclosure and Authorization Pertaining to Consumer Reports Pursuant to the Fair Credit Reporting Act"

Only complete packages will be accepted by the DHS Security Office. Specific instructions on submission of packages will be provided upon award of the contract.

Be advised that unless an applicant requiring access to sensitive information has resided in the US for three of the past five years, the Government may not be able to complete a satisfactory background investigation.

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

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

#### **4.1 ALTERNATIVE CITIZENSHIP REQUIREMENTS FOR NON-IT CONTRACTS**

For non-Classified or non-IT contracts the above citizenship provision shall be replaced with the citizenship provision below:

Each individual employed under the contract shall be a citizen of the United States of America, or an alien who has been lawfully admitted for permanent residence as evidenced by a Permanent Resident Card (USCIS I-55 1). Any exceptions must be approved by the Department's Chief Security Officer or designee.

#### **5.0 INFORMATION TECHNOLOGY SECURITY CLEARANCE**

When sensitive government information is processed on Department telecommunications and automated information systems, the Contractor shall provide for the administrative control of sensitive data being processed. Contractor personnel must have favorably adjudicated background investigations commensurate with the defined sensitivity level.

Contractors who fail to comply with Department security policy are subject to having their access to Department IT systems and facilities terminated, whether or not the failure results in criminal prosecution. Any person who improperly discloses sensitive information is subject to criminal and civil penalties and sanctions under a variety of laws (e.g., Privacy Act).

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

## **6.0 INFORMATION TECHNOLOGY SECURITY TRAINING AND OVERSIGHT**

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

## **7.0 REFERENCES**

### **7.1 DHS Office of Security**

DHS, Office of Security  
Personnel Security Staff  
Attn: Ora Smith  
Washington DC 20528  
Telephone: (202) 447-5372