

AWARD/CONTRACT	1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350)	RATING	PAGE OF PAGES 1 / 98
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2. CONTRACT (Proc. Inst. Ident.) NO. HSHQDC-10-C-00074	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQUEST/PROJECT NO. RSEN-10-00063
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5. ISSUED BY	CODE	DHS/OPO/S&T/EXBORD	6. ADMINISTERED BY (If other than Item 5)	CODE	DHS/OPO/S&T/EXBORD
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U.S. Dept. of Homeland Security Office of Procurement Operations S&T Acquisition Division 245 Murray Lane SW - Bldg. 410 Washington DC 20528	U.S. Dept. of Homeland Security Office of Procurement Operations S&T Acquisition Division 245 Murray Lane SW - Bldg. 410 Washington DC 20528
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7. NAME AND ADDRESS OF CONTRACTOR (No., Street, City, Country, State and ZIP Code) ITT CORPORATION ATTN BARBARA ZANCA PO BOX 39550 COLORADO SPRINGS CO 809499550	8. DELIVERY <input type="checkbox"/> FOB ORIGIN <input checked="" type="checkbox"/> OTHER (See below) 9. DISCOUNT FOR PROMPT PAYMENT <p style="text-align: center;">Net 30</p> 10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN ITEM
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CODE 1242600300000	FACILITY CODE
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11. SHIP TO/MARK FOR Multiple Destinations	CODE	12. PAYMENT WILL BE MADE BY Burlington Finance Center P.O. Box 1000 sat.invoice.consolidation@dhs.gov Williston VT 05495-1000	CODE	DHS/ICE/S&T
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13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: <input type="checkbox"/> 10 U.S.C. 2304 (c) () <input type="checkbox"/> 41 U.S.C. 253 (c) ()	14. ACCOUNTING AND APPROPRIATION DATA See Schedule
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15A. ITEM NO	15B. SUPPLIES/SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT
Continued					

15G. TOTAL AMOUNT OF CONTRACT	\$2,001,528.00
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(X)	SEC.	DESCRIPTION	PAGE(S)	(X)	SEC.	DESCRIPTION	PAGE(S)
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	A	SOLICITATION/CONTRACT FORM			I	CONTRACT CLAUSES	
	B	SUPPLIES OR SERVICES AND PRICES/COSTS		PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH.			
	C	DESCRIPTION/SPECS./WORK STATEMENT			J	LIST OF ATTACHMENTS	
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	F	DELIVERIES OR PERFORMANCE			L	INSTRS., CONDS., AND NOTICES TO OFFERORS	
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CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. <input checked="" type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return <u>1</u> copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)	18. <input type="checkbox"/> AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number _____ including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any condition sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.
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19A. NAME AND TITLE OF SIGNER (Type or print) BRYAN E. CAMPBELL	19B. NAME OF CONTRACTOR CONTRACTS DEPT. MANAGER	19C. DATE SIGNED 5/26/10	20A. NAME OF CONTRACTING OFFICER <i>Duane Schatz</i>	20B. UNITED STATES OF AMERICA	20C. DATE SIGNED 5/27/2010
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BY <i>[Signature]</i> (Signature of person authorized to sign)	BY <i>[Signature]</i> (Signature of the Contracting Officer)
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CONTINUATION SHEET

REFERENCE NO. OF DOCUMENT BEING CONTINUED
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NAME OF OFFEROR OR CONTRACTOR
 ITT CORPORATION

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	<p>DUNS Number: 124260030+0000 Division: Explosives PPA: Explosives Division Thrust: Counter IED Program: Detection Project: Laser Interrogation of Surface Agents (LISA) Standoff Explosives Detectors (SED) Performer: ITT Corporation Advanced Engineering and Science Division (AES) Appropriation Year: FY10 (02 Funds) Budget Authority: 3-Year R&D Funds Project Manager: Michael Shepard (202-254-5325) Lead Support Staff:</p> <p>ALC: 70-08-1513 APPS: 70020800</p> <p>The purpose of Contract No. HSHQDC-10-C-00074 is to provide the necessary services in support of the Laser Interrogation of Surface Agents (LISA) Standoff Explosives Detectors (SED) Project.</p> <p>Work will be conducted in accordance with the attached terms and conditions.</p> <p>Funds are herein obligated in the amount of \$2,001,528.00 to fully fund the base task.</p> <p>Base Cost: \$1,836,802.00 (includes FCCOM) Fee: \$164,726.00 (cost excluding FCCOM) CPFF: \$2,001,528.00</p> <p>Option 1 Cost: \$455,705.00 (includes FCCOM) Fee: \$40,867.00 (cost excluding FCCOM) CPFF: \$496,572.00</p> <p>Option 2 Cost: \$5,457,094.00 (includes FCCOM) Fee: \$489,346.00 (cost excluding FCCOM) CPFF: \$5,946,440.00</p> <p>Option 3 Cost: \$459,018.00 (includes FCCOM) Fee: \$41,156.00 (cost excluding FCCOM) CPFF: \$500,174.00 DO/DPAS Rating: NONE</p> <p>Continued ...</p>				

CONTINUATION SHEET

REFERENCE NO. OF DOCUMENT BEING CONTINUED
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NAME OF OFFEROR OR CONTRACTOR
ITT CORPORATION

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	Mark For: Department of Homeland Security Office of Procurement Operations 245 Murray Lane SW - Bldg. 410 Washington DC 20528 FOB: Destination				
0001	Base Effort Obligated Amount: \$2,001,528.00 Delivery: 365 Days After Award Delivery Location Code: DHS Department of Homeland Security 245 Murray Lane SW - Bldg. 410 Washington DC 20528 Amount: \$2,001,528.00 Accounting Info: NONE000-000-02-33-06-03-006-01-00-0000-00-00-00-00 -GE-OE-25-50-000000 Funded: \$449,528.00 Accounting Info: NONE000-000-02-33-06-03-007-01-00-0000-00-00-00-00 -GE-OE-25-50-000000 Funded: \$1,552,000.00				2,001,528.00
0002	Option 1 Amount: \$496,572.00 (Option Line Item) Product/Service Code: AZ11 Product/Service Description: S Delivery: 180 Days After Award Delivery Location Code: S&T MURRAY LANE DHS S&T 245 Murray Lane SW - Bldg. 410 Washington DC 20528 Amount: \$496,572.00 Accounting Info: Funded: \$0.00				0.00
0003	Option 2 Amount: \$5,946,440.00 (Option Line Item) Product/Service Code: AZ11 Product/Service Description: S Delivery: 390 Days After Award Delivery Location Code: S&T MURRAY LANE DHS S&T 245 Murray Lane SW - Bldg. 410 Washington DC 20528 Amount: \$5,946,440.00 Continued ...				0.00

CONTINUATION SHEET

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NAME OF OFFEROR OR CONTRACTOR
ITT CORPORATION

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
0004	<p>Accounting Info: Funded: \$0.00</p> <p>Option 3 Amount: \$500,174.00 (Option Line Item) Product/Service Code: AZ11 Product/Service Description: S</p> <p>Delivery: 180 Days After Award Delivery Location Code: S&T MURRAY LANE DHS S&T 245 Murray Lane SW - Bldg. 410 Washington DC 20528 Amount: \$500,174.00 Accounting Info: Funded: \$0.00</p> <p>The total amount of award: \$8,944,714.00. The obligation for this award is shown in box 15G.</p>				0.00

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- Section B Supplies or Services and Price/Cost**

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- Section E Inspection and Acceptance**

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- Section G Contract Administration Data**

- Section H Special Contract Requirements**

PART II – CONTRACT CLAUSES

- Section I Contract Clauses**

- I.1 FAR 52.252-2, Clauses Incorporated by Reference (Feb 1998)**

- I.2 FAR Clauses Incorporated By Reference**

- I.3 U. S. Department of Homeland Security Acquisition Regulation (HSAR) Full
Text Clauses**

PART III – LIST OF DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTS

- Section J List of Attachments**

PART I - THE SCHEDULE

SECTION B - SUPPLIES OR SERVICES AND PRICE/COSTS

B.1 SUPPLIES/SERVICES. The Contractor shall provide all resources (except as may be expressly stated in this contract as furnished by the Government) necessary to furnish the supplies and services set forth in the Statement of Work (Section J).

B.2 ESTIMATED COST AND FIXED-FEE.

- a) The total estimated cost for the Base Period of this contract, as contemplated by the FAR Clause 52.232-20, entitled "Limitation of Cost," is \$1,836,802.00.
- b) The fixed fee for the Base Period of this contract, as contemplated by FAR Clause 52.216-8, entitled "Fixed Fee," is \$164,726.00. The fixed fee shall be paid pursuant to the terms of this clause.
- c) The total amount of the Base Period for this contract is \$2,001,528.00.
- d) The total amount allotted to the Base Period of this contract is \$2,001,528.00 (fully funding). It is estimated that this amount is sufficient to cover the base period of performance.
- e) Notwithstanding the language contained herein in Section B.2, performance is subject to the limitations set forth in the FAR Clause 52.232.20, "Limitation of Cost."

(END OF SECTION B)

SECTION C - DESCRIPTION/SPECIFICATION/WORK STATEMENT

C.1 STATEMENT OF WORK

a) In accordance with the contract's terms and conditions, the Contractor shall furnish all personnel, services, equipment, materials, and facilities (except as may be expressly stated in this contract as furnished by the Government) and do all other things necessary for, or incidental to, performance of the requirements set forth herein.

b) Work shall be accomplished in accordance with the Statement of Work, included in Section J.

(END OF SECTION C)

SECTION D - PACKAGING AND MARKING

D.1 Packing, Packaging, Marking and Storage of Equipment

Unless otherwise specified, all items to be delivered under this contract shall be preserved, packaged, and packed in accordance with normal commercial practices to meet the packing requirements of the carrier and ensure safe delivery at destination.

All initial packing, marking and storage incidental to shipping of equipment to be provided under this contract shall be at the Contractor's expense. The Contractor shall supervise the packing of all acquired equipment furnished by the Contractor and shall supervise the unpacking of equipment to be installed.

D.2 Markings

All supplies or equipment, submitted to the Contracting Officer's Technical Representative (COTR), shall be accompanied by a packing list or other suitable shipping document that shall clearly indicate the following:

- a) Contract number;
- b) Name and address of the consignor;
- c) Name and address of the consignee;
- d) Government bill of lading number covering the shipment (if any); and
- fe) Description of the item/material shipped, including item number, quantity, number of containers, and package number (if any).

(END OF SECTION D)

SECTION E - INSPECTION AND ACCEPTANCE

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

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. The full text of Federal Acquisition Regulation (FAR) clauses may be accessed electronically at this address: <http://www.arnet.gov/far>.

E.2 FAR 52.246-9, INSPECTION OF RESEARCH AND DEVELOPMENT (SHORT FORM) (Apr 1984)

E.3 INSPECTION, ACCEPTANCE AND RECEIVING REPORT

An inspection, acceptance, and receiving report shall be signed by an authorized Government representative to evidence receipt, inspection and acceptance. The report shall be completed at the place(s) specified in the contract for Government receipt and acceptance. DHS Form 700-21, Material Inspection and Receiving Report, may be used for this purpose. Other forms/formats are acceptable if they contain: (1) Date; (2) Contract Number; (3) Modification Number; (4) Contractor's Name; (5) Date items received or date recurring payment due; (6) Location where items were delivered or contractor's performance; (7) Statement that all the requirements have been inspected, received and accepted by (insert name of authorized Government representative) and meet the terms of the contract except as noted below; (8) List the requirements that were not accepted and/or the deductions made and state the reason why; (9) Total amount of deductions; (10) Signature of authorized Government representative; (11) Title of authorized government representative; and (12) Date signed.

E.4 ACCEPTANCE CRITERIA.

Certification by the Government of satisfactory Contractor performance is contingent upon the Contractor performing in accordance with the terms and conditions of the contract and all modifications.

The Contracting Officer's Technical Representative (COTR) reserves the right to review and approve the final design.

(END OF SECTION E)

SECTION F - DELIVERIES OR PERFORMANCE

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

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. The full text of a clause may be accessed electronically at this address: <http://www.arnet.gov/far/>.

F.2 FAR 52.247-34 FOB DESTINATION (JAN 1991)

F.3 PERIOD OF PERFORMANCE.

[See Standard Form 26 for period of performance.]

F.4 PLACE OF PERFORMANCE

The place of performance shall be at the contractor's location, or at other locations pre-approved by the Contracting Officer's Technical Representative (COTR) in writing.

F.5 NOTICE OF DELAY

If, because of technical difficulties, the Contractor becomes unable to complete the contract work at the time specified, notwithstanding the exercise of good faith and diligent efforts in performing the work called for under this contract, the Contractor shall give the Contracting Officer written notice of the anticipated delay and the reasons for it. The notice and reasons shall be delivered promptly after the condition creating the anticipated delay becomes known to the Contractor but in no event less than 45 days before the completion date specified in this contract, unless otherwise permitted by the Contracting Officer. When notice is given, the Contracting Officer may extend the time specified in the Schedule for such period as is deemed advisable.

(END OF SECTION F)

SECTION G - CONTRACT ADMINISTRATION DATA

G.1 INVOICE SUBMISSION

1) Billing Instructions.

a) Labor Hour and T&M. Vouchers and required supporting documentation shall be submitted pursuant to FAR Clause 52.232-7, Payments under Time-and-Materials and Labor Hour Contracts.

b) Cost Reimbursement. Vouchers shall be submitted in accordance with FAR Clause 52.216-7, Allowable Cost and Payment, and must specify, at a minimum, the following information for the billing period:

1. The total cost and fee billed for the current billing period;
2. A breakdown by cost element for the current billing period, the current fiscal year, and the contract to date;
3. The cumulative cost and fee billed for the current fiscal year; and
4. The cumulative cost and fee billed for the contract to date.

c) Labor Hour, T&M and Cost Reimbursement Awards. For Labor Hour, T&M and Cost Reimbursement contracts, supporting documentation shall be provided (receipts) for applicable travel and other cost reimbursable ODCs being billed during the billing period.

d) FFP Awards. For FFP contracts with performance-based payments, requests for payment shall be submitted upon achievement of the billing milestones identified in the award.

e) A completion voucher will be submitted for each funding document/order in accordance with FAR Clause 52.216-7.

f) Pre-approval from the COTR shall be submitted for travel and ODCs as authorized in the award.

The cover or summary page of the invoice shall include a statement similar to the following: "As an authorized corporate official of [name of Contractor], I hereby certify that the above invoiced amount is true and accurate for the period identified herein."

Monthly invoices should include the current and cumulative expenditures to date under the contract.

2) Payment Address.

The payment address for S&T payments is as follow:

Invoices should be e-mailed to: sat.invoice.consolidation@dhs.gov.

Invoices can be mailed to: U. S. DHS – ICE
Attn: S&T Directorate
Burlington Finance Center

P. O. Box 1000
Williston, Vermont 05495-1000

G.2 OTHER DIRECT COSTS (ODCs)

(a) Other Direct Costs (ODCs), such as consumable materials or supplies, or contractor purchases of property or equipment, may be required under this contract.

(1) ODCs will be reimbursed in accordance with audited, approved standard accounting practices.

(2) All contractor purchases of consumable materials or supplies, or property or equipment shall be in accordance with Section I clause at FAR 52.244-2, Subcontracts.

(3) All property or equipment purchased as a direct cost to this contract shall become the property of the Government and be marked accordingly.

G.3 GOVERNMENT PROPERTY

a) The Government may provide property or equipment for use in performance of this contract. This property or equipment shall be used only for the work required under this contract in accordance with FAR Clause 52.245-1, Government Property.

b) The Contractor shall control, protect, preserve, use, maintain, and repair any Government property or equipment provided for, or purchased for, performance under this contract in accordance with sound industrial and business practices and the requirements of this contract.

G.4 TRAVEL COSTS

a) Travel may be required to support this effort. All travel shall be approved in advance by the COTR. Travel approval may be documented via e-mail. Contractor travel requests shall include the following: the name of traveler(s), purpose of trip, destination(s), number of travel days, estimated air fare, established per diem rates, estimated car rental (if applicable), and other associated travel costs.

b) The Contractor shall be reimbursed for approved travel costs under this contract. Travel costs will be reimbursed in accordance with audited, approved standard accounting practices. The reimbursement for those costs shall be as follows:

1) Travel subsistence reimbursements will be authorized under the rates and conditions under the Federal Travel Regulation (FTR).

2) Per diem will be reimbursed at the per diem rates set forth in the Federal Travel Regulation (FTR), as prescribed by General Services Administration (www.gsa.gov/perdiem); and when applicable, Standardized Regulations Section 925 – Maximum Travel Per Diem Allowances for Foreign Areas – prescribed by the Department of State.

For travel of more than 12 hours, but less than 24 hours, when no lodging is required, the per diem rate shall be 75% of the Meals and Incidental Expenses (M&IE) rate applicable to the locations of temporary duty (TDY) assignment. If more than one temporary duty point is involved, the allowance of 75% of the M&IE rate is prescribed for the location where the majority of the time is spent performing official business. The per diem allowance shall not be allowed when the period of official travel is 12 hours or less during the same calendar day. Seventy-five per cent is allowed on temporary travel on the first and last day of travel.

3) Airfare costs in excess of the lowest customary standard, coach or equivalent airfare offered during normal business hours are unallowable.

4) Written receipts may be requested for individual expenditures exceeding \$75.00.

c) Local Travel Costs will not be reimbursed. Local travel costs include, but are not limited to, the following:

1) Travel at Government installations where Government transportation is available.

2) Travel performed for personnel convenience/errands, including commuting to and from work.

3) Travel costs incurred in the replacement of personnel when such replacement is accomplished for the contractor's or contractor employee's convenience.

4) Within fifty (50) miles of the individual's assigned duty station.

d) Travel Reimbursement. Travel reimbursement shall only be allowed for contractor and subcontractor personnel performing under this award. Federal government employees, and

their associated government support service contractors, will be reimbursed directly through their assigned organization.

G.5 FINAL PAYMENT

Final payment under this contract requires 1) receipt and acceptance by the Government of all required services and/or supplies; 2) final accounting for and disposition of Government property; 3) the assignment to the Government of any refunds and the release discharging the Government from liabilities per the terms and conditions of the award; and 4) final audit by the cognizant audit agency.

(END OF SECTION G)

SECTION H - SPECIAL CONTRACT REQUIREMENTS

H.1 POST-AWARD EVALUATION OF CONTRACTOR PERFORMANCE

a) Contractor Performance Evaluations

Annual and final evaluations of contractor performance will be prepared on this contract in accordance with FAR 42.15 (or FAR 36.201 for construction, or FAR 36.604 for Architect-Engineering). The final performance evaluations will be prepared at the time of completion of work. Annual and final evaluations will be provided to the contractor as soon as practical after completion of the evaluation. The Contractor can elect to review the evaluation and submit additional information or a rebuttal statement. The contractor will be permitted thirty days to respond. Contractor response is voluntary. Any disagreement between the parties regarding an evaluation will be referred to the Head of the Contracting Activity, whose decision is final. Copies of the evaluations, contractor responses, and review comments, if any, will be retained as part of the contract file, and may be used to support future award decisions.

b) Electronic Access to Contractor Performance Evaluations

FAR Part 42.15 requires agencies to prepare annual and final evaluations of contractor performance. The U.S. Department of Homeland Security utilizes the Contractor Performance Assessment Reporting System (CPARS) to record and maintain past performance information. Contractors may access evaluations through a website for review and comment by completing the registration form that can be obtained at the following URL:
<http://www.cpars.csd.disa.mil/cparsmain.htm>.

The registration process requires the contractor to identify an individual that will serve as a primary contact and who will be authorized access to the evaluation for review and comment. In addition, the contractor will be required to identify a secondary contact who will be responsible for notifying the cognizant contracting official in the event the primary contact is unavailable to process the evaluation within the required 30-day time period. Once the contractor is registered and a performance evaluation has been prepared and is ready for comment, the CPARS will send an email to the contractor representative notifying that individual that a performance evaluation is electronically available for review and comment.

H.2 ADVERTISEMENTS, PUBLICIZING AWARDS, AND NEWS RELEASES

All press releases or announcements about agency programs, projects, and contract awards need to be cleared by the Contracting Officer. Under no circumstances shall the Contractor, or anyone acting on behalf of the Contractor, refer to the supplies, services, or equipment furnished pursuant to the provisions of this contract in any publicity news release or commercial advertising without first obtaining explicit written consent to do so from the Contracting Officer.

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

H.3 CONTRACTING OFFICER'S AUTHORITY

The Contracting Officer (CO) is the only person authorized to approve changes to any of the terms and conditions of this contract. In the event the Contractor effects any changes at the direction of any person other than the Contracting Officer, the changes will be considered to have been made without authority and no adjustment will be made in the contract price to cover any increase in costs incurred as a result thereof. The Contracting Officer shall be the only individual authorized to accept nonconforming work, waive any requirement of the contract, or to modify any term or condition of the contract. The Contracting Officer is the only individual who can legally obligate Government funds. No cost chargeable to the proposed contract can be incurred before receipt of a fully executed contract, which includes any subsequent contract modifications or other specific written authorization from the Contracting Officer.

Contracting Officer

U. S. Department of Homeland Security
245 Murray Lane SW
Building 410
ATTN: Tim Davis
Science and Technology Acquisition Division
Phone: 202-254-2333
Fax: 202-254-5611
E-mail Address: timothy.davis@dhs.gov

H.4 INTERPRETATION OF CONTRACT

No oral statement by any person, and no written statement by anyone other than the Contracting Officer, or his/her authorized representative acting within the scope of his/her authority, shall be interpreted as modifying or otherwise affecting the terms of this contract. All requests for interpretation or modification shall be made in writing to the Contracting Officer.

H.5 TECHNICAL DIRECTION

Performance of the work under this award shall be subject to the technical direction of the Contracting Officer's Technical Representative (COTR). The term "technical direction" is defined to include:

- 1) Directions to the Contractor which redirect the contract effort, shift work emphasis between work areas or tasks, direct various efforts for statement of work accomplishment;
- 2) Provision of written information to the Contractor which assists in interpretation of drawings, specifications, or technical portions of the work description; and
- 3) Review, and where required by the contract, approval of technical reports, drawings, specifications, and technical information to be delivered by the Contractor to the Government under the contract.

Technical direction must be within the scope of work stated in the award. The COTR does not have the authority to, and may not, issue any technical direction which:

- 1) Constitutes an assignment of additional work outside the statement of work;
- 2) Constitutes a change as defined in the clause, entitled "Changes;"
- 3) In any manner causes an increase or decrease in the level of effort, total price, or the time required for contract performance;

- 4) Changes any of the expressed terms, conditions, or specifications of the contract; or
- 5) Interferes with the Contractor's right to perform the terms and conditions of the contract.

All technical directions shall be issued in writing by the applicable COTR.

The Contractor shall proceed promptly with the performance of technical directions duly issued by the applicable COTR in the manner prescribed by this clause and within their authority under the provisions of this clause. If, in the opinion of the Contractor, any instruction or direction by the applicable COTR falls within one of the categories defined in (b)(1) through (5), above, the Contractor shall not proceed but shall notify the Contracting Officer (CO) in writing within five (5) working days after receipt of any such instruction or direction and shall request the CO to modify the contract accordingly. Upon receiving the notification from the Contractor, the CO shall:

- 1) Advise the Contractor in writing within thirty (30) days after receipt of the Contractor's letter that the technical direction is within the scope of the contract effort and does not constitute a change under the "changes" clause of the award; or
- 2) Advise the Contractor within a reasonable time that the Government will issue a written change to the award; or
- 3) Advise the Contractor that the technical direction to which the Contractor has objected is, in fact, outside the scope of the award and should not be acted upon.

A failure of the Contractor and CO to agree as to whether the technical direction is within the scope of the award, or a failure to agree upon the contract action to be taken with respect thereto, shall be subject to the provisions of the disputes clause.

H.6 STANDARDS OF CONDUCT AT GOVERNMENT INSTALLATIONS

- a) The Contractor shall be responsible for maintaining satisfactory standards of employee competency, conduct, appearance, and integrity and shall be responsible for taking such disciplinary action with respect to his employees, as may be necessary. The Contractor is also responsible for ensuring that his employees do not disturb paper on desks, open desk drawers or cabinets or use Government telephones, except as authorized.
- b) If due to the fault or neglect of the Contractor, his agents, or employees, any Government property, equipment, stock, or supplies are lost or damaged during performance of this award, the Contractor shall be responsible for such loss or damage and the Government, at its option, may either require the Contractor to replace all property or to reimburse the Government for the full value of the lost or damaged property.
- c) The Contractor is responsible for maintaining assigned space(s) in a clean and orderly fashion during the course of this award. Furniture as may be assigned to the space(s) shall remain in place and not removed from areas. All telephones are for conducting official Government business only. The Contractor is responsible for exercising control over all supplies, materials, and equipment of a personal or company nature.

H.7 OBSERVANCE OF FEDERAL HOLIDAYS

The Government hereby provides notification that Government personnel observe the following days as federal holidays:

New Year's Day	Labor Day
Martin Luther King's Birthday	Columbus Day
President's Day	Veterans' Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

In addition to the days designated as federal holidays, the Government observes the following days:

- 1) Any other day designated by Federal Statute;
- 2) Any other day designated by Executive Order; and
- 3) Any other day designated by the President's Proclamation.

It is understood and agreed between the Government and the Contractor that observance of such days by Government personnel shall not otherwise be a reason for an additional period of performance, or entitlement of compensation except as set forth within the contract. In the event the Contractor's personnel work during the holiday, they may be reimbursed by the Contractor. However, no form of holiday or other premium compensation will be reimbursed either as a direct or indirect cost, other than their normal compensation for the time worked.

When the Federal and Governmental entities grant excused absences to its employees, assigned Contractor personnel may also be dismissed. The Contractor agrees to continue to provide sufficient personnel to perform critical tasks already in operation or scheduled, and shall be guided by the instructions issued by the CO and COTR.

If the Government facility is closed, the Contractor shall not report to the on-site facility. However, work may be conducted at the Contractor's off-site facility.

If Government personnel are furloughed, the Contractor shall contact the CO or the COTR to receive direction. It is the Government's decision as to whether the contract price/cost will be affected. Generally, the following situations apply:

- 1) Contractor personnel that are able to continue contract performance (either on-site or at a site other than their normal work station) shall continue to work and the contract price shall not be reduced or increased.
- 2) Contractor personnel that are not able to continue contract performance (e.g., support functions) may be asked to cease their work effort.

In those situations that furloughed Government personnel are reimbursed, the Contractor may not invoice for their employees working during the Government furlough until such time as the special legislation affecting Government personnel is signed into law by the President of the United States.

Nothing in this clause changes the rights and responsibilities of the parties relative to stop work requirements as cited elsewhere in this award.

H.8 KEY PERSONNEL

The *Program Manager* is the individual identified as a key position under this effort. Replacement of this key person is required through prior written notification to the contracting officer and their contracting officer's technical representative. Replacement key personnel must also be approved by the government contracts and technical points of contact.

H.9 CONFERENCE SUPPORT

a) Meeting Space.

The Contractor shall coordinate and schedule meetings and provide appropriate space in all required venues.

The Contractor shall locate appropriate meeting room space and provide the names of at least three vendors to the Contracting Officer and Contracting Officer's Technical Representative for consideration.

To the maximum extent practicable, the Contractor shall negotiate the most favorable contractual terms, including exclusion of any cancellation costs.

The Contractor shall not sign any contractually-binding instrument on behalf of the Government. Rather, the resultant contract shall be signed in the name of the Contractor.

b) Food and Beverage Requirement.

No food or beverage will be authorized for any event attended by non-Government personnel. For events attended exclusively by Government employees, prior approval is required from DHS legal counsel to determine if the Contractor is authorized to provide any food or beverage.

H.10 SECTION 508 COMPLIANCE

Section 508 refers to Section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794d). Section 508 assessments are required of all systems and are intended to ensure that individuals with disabilities have comparable access to and use of information and data comparable to the access provided to individuals without disabilities (unless this would pose an undue burden on the Federal Agency). The assessment is not to include physical access at any defined-benefit technology solution-related site. The 508 assessment shall be performed by OPM. The successful Contractor must make accessible to the Government, or its designee, information systems residing in the Contractor's (or as appropriate sub-Contractor's) facilities that support the operations and assets of the Government as part of this task order, so that the 508 assessment may be performed.

All Electronic and Information Technology (EIT) procured through this task order must meet the applicable accessibility standards at 29 USC 794d and 36 CFR 1194, unless an exception to this requirement exists as determined by the Government. See 29 USC 794d at <http://www.section508.gov/index.cfm?Fuseaction=Content&ID=12>, and 36 CFR 1194 implementation Section 508 of the Rehabilitation Act of 1973, as amended, at http://www.access-board.gov/sec508/508_standards.htm - PART 1194).

The 508 standards do not require the installation of specific accessibility-related software or the attachment of an assistive technology device, but require that the EIT be compatible with such software and devices so that it can be made accessible if so required by the agency in the future.

H.11 TREATIES AND INTERNATIONAL AGREEMENTS

Any rights acquired by the Contractor in subject inventions are subject to any disposition of right, title, or interest in or to subject inventions provided for in treaties or international agreements, as identified in Section J of this contract. DHS reserves the right to unilaterally modify this contract to identify specific treaties or international agreements entered into, or to be entered into, by the Government after the effective date of this contract award, and to effectuate those licensing agreements or other rights which are necessary for the Government in order to meet its obligations to foreign governments, and their nationals and international organizations, under such treaties or international agreements with respect to subject inventions made after the date of contract award.

(END OF SECTION H)

PART II - CONTRACT CLAUSES

SECTION I - CONTRACT CLAUSES

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

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. The full text of a clause may be accessed electronically at this address: <http://www.arnet.gov/far>.

I.2 FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES INCORPORATED BY REFERENCE .

- FAR 52.202-1, Definitions (Jul 2004)
- FAR 52.203-3, Gratuities (Apr 1984)
- FAR 52.203-5, Covenant Against Contingent Fees (Apr 1984)
- FAR 52.203-7, Anti-Kickback Procedures (Jul 1995)
- FAR 52.203-8, Cancellation, Rescission and Recovery of Funds for Illegal or Improper Activity (Jan 1997)
- FAR 52.203-10, Price or Fee Adjustment for Illegal or Improper Activity (Jan 1997)
- FAR 52.203-12, Limitation on Payments to Influence Certain Federal Transactions (Sep 2007)
- FAR 52.203-13, Contractor Code of Business Ethics and Conduct (Dec 2007)
- FAR 52.204-2, Security Requirements (Aug 1996)
- FAR 52.204-4, Printed or Copied Double-Sided on Recycled Paper (Aug 2000)
- FAR 52.204-7, Central Contractor Registration (Apr 2008)
- FAR 52.204-9, Personal Identity Verification of Contractor Personnel (Sep 2007)
- FAR 52.209-6, Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (Sep 2006)
- FAR 52.215-2, Audit and Records – Negotiation (Jun 1999)
- FAR 52.215-8, Order of Precedence – Uniform Contract Format (Oct 1997)
- FAR 52.215-10, Price Reduction for Defective Cost or Pricing Data (Oct 1997)
- FAR 52.215-12, Subcontractor Cost or Pricing Data (Oct 1997)
- FAR 52.215-14, Integrity of Unit Prices (Oct 1997)
- FAR 52.215-15, Pension Adjustments and Asset Reversions (Oct 2004)
- FAR 52.215-16, Facilities Capital Cost of Money (Jun 2003)
- FAR 52.215-19, Notification of Ownership Changes (Oct 1997)
- FAR 52.216-7, Allowable Cost and Payment (Dec 2002)
- FAR 52.216-8, Fixed Fee (Mar 1997)
- FAR 52.217-9, Option to Extend the Term of the Contract (Mar 2000) [30 days]
- FAR 52.219-8, Utilization of Small Business Concerns (May 2004)
- FAR 52.219-9, Small Business Subcontracting Plan (Apr 2008)
- FAR 52.222-2, Payment for Overtime Premiums (Jul 1990) [insert "zero" in para. (a)]
- FAR 52.222-3, Convict Labor (Jun 2003)

FAR 52.222-4, Contract Work Hours and Safety Standards Act – Overtime Compensation (Jul 2005)

FAR 52.222-21, Prohibition of Segregated Facilities (Feb 1999)

FAR 52.222-26, Equal Opportunity (Mar 2007)

FAR 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Sep 2006)

FAR 52.222-36, Affirmative Action for Workers with Disabilities (Jun 1998)

FAR 52.222-37, Employment Reports on special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Sep 2006)

FAR 52.222-50, Combating Trafficking in Persons (Aug 2007)

FAR 52.222-54, Employment Eligibility Verification (Jan 2009)

FAR 52.223-5, Pollution Prevention and Right-to-Know Information (Aug 2003)

FAR 52.223-6, Drug-Free Workplace (May 2001)

FAR 52.223-11, Ozone-Depleting Substances (May 2001)

FAR 52.223-14, Toxic Chemical Release Reporting (Aug 2003)

FAR 52.223-15, Energy Efficiency in Energy-Consuming Products (Dec 2007)

FAR 52.225-13, Restrictions on Certain Foreign Purchases (Feb 2006)

FAR 52.226-1, Utilization of Indian Organizations and Indian-Owned Economic Enterprises (Jun 2000)

FAR 52.227-1, Authorization and Consent (Dec 2007) (Alt I) (Apr 1984)

FAR 52.227-2, Notice and Assistance Regarding Patent and Copyright Infringement (Dec 2007)

FAR 52.227-3, Patent Indemnity (Apr 1984)

FAR 52.227-9, Refund of Royalties (Apr 1984)

FAR 52.227-11, Patent Rights – Retention by the Contractor (Short Form) (Dec 2007) Alt II (Dec 2007)

FAR 52.227-14, Rights in Data – General) ALT II, III and IV) (Dec 2007)

FAR 52.227-16, Additional Data Rights (Jun 1987)

FAR 52.227-17, Rights in Data – Special Works (Jun 1987)

FAR 52.227-19, Commercial Computer Software – Restricted Rights (Dec 2007)

FAR 52.227-23, Rights to Proposal Data (Technical) (Jun 1987)

FAR 52.228-7, Insurance – Liability to Third Parties (Mar 1996)

FAR 52.230-2, Cost Accounting Standards (Apr 1998)

FAR 52.230-6, Administration of Cost Accounting Standards (Mar 2008)

FAR 52.232-9, Limitation on Withholding of Payments (Apr 1984)

FAR 52.232-17, Interest (Jun 1996)

FAR 52.232-20, Limitation of Cost (Apr 1984)

FAR 52.232-23, Assignment of Claims (Jan 1986)

FAR 52.232-25, Prompt Payment (Oct 2003)

FAR 52.232-33, Payment by Electronic Funds Transfer – Central Contractor Registration (Oct 2003)

FAR 52.233-1, Disputes (Jul 2002) Alt I (Dec 1991)

FAR 52.233-3, Protest after Award (Aug 1996) Alt I (Jun 1985)

FAR 52.233-4, Applicable Law for Breach of Contract (Oct 2004)

FAR 52.237-2, Protection of Government Buildings, Equipment and Vegetation (Apr 1984)

FAR 52.239-1, Privacy or Security Safeguards (Aug 1996)

FAR 52.242-1, Notice of Intent to Disallow Costs (Apr 1984)

FAR 52.242-3, Penalties for Unallowable Costs (Mar 2001)

FAR 52.242-13, Bankruptcy (Jul 1995)

FAR 52.242-15, Stop Work Order (Aug 1989) (Alt I) (Apr 1984)

FAR 52.243-2, Changes – Cost Reimbursement (Aug 1987)
FAR 52.243-6, Change Order Accounting (Apr 1984)
FAR 52.243-7, Notification of Changes (Apr 1984) [insert 60 days]
FAR 52.244-2, Subcontract (Jun 2007) (Alt I) (Jun 2007)
FAR 52.244-5, Competition in Subcontracting (Dec 1996)
FAR 52.244-6, Subcontracts for Commercial Items (Mar 2007)
FAR 52.245-1, Government Property (Jun 2007)
FAR 52.245-9, Use and Charge (Jun 2007)
FAR 52.246-25, Limitation of Liability – Services (Feb 1997)
FAR 52.249-6, Termination (Cost-Reimbursement) (May 2004)
(Sep 1996)
FAR 52.249-14, Excusable Delays (Apr 1984)
FAR 52.251-1, Government Supply Sources (Apr 1984)
FAR 52.253-1, Computer Generated Forms (Jan 1991)

I.3 U. S. DEPARTMENT OF HOMELAND SECURITY ACQUISITION REGULATION (HSAR) CLAUSES INCORPORATED IN FULL TEXT.

HSAR 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 SSI,” as amended, and any supplementary guidance officially communicated by an authorized official of the Department of Homeland Security (including the Assistant Secretary for the Transportation Security Administration or his/her designee);
- (3) Information designated as “For Official Use Only,” which is unclassified information of a sensitive nature and the unauthorized disclosure of which could adversely impact a person’s privacy or welfare, the conduct of Federal programs, or other programs or operations essential to the national or homeland security interest; and
- (4) Any information that is designated “sensitive” or subject to other controls, safeguards or protections in accordance with subsequently adopted homeland security information handling procedures.

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

(c) Contractor employees working on this contract must complete such forms as may be necessary for security or other reasons, including the conduct of background investigations to determine suitability. Completed forms shall be submitted as directed by the CO. Upon the COs 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 CO 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 CO. 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.

ALTERNATE I (JUN 2006)

(g) Before receiving access to IT resources under this contract, the individual must receive a security briefing, which the COTR will arrange, and complete any non-disclosure agreement furnished by DHS.

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

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

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

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

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

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

ALTERNATE II (JUN 2006)

(g) 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.

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

*** 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 Requirements.

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 of 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 (CO) 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 COTR will arrange, and complete any nondisclosure agreement furnished by DHS.

7.0 References.

DHS Office of Personnel Security.

HSAR 3052.228-70 Insurance (Dec 2003)

In accordance with the clause entitled "Insurance - Work on a Government Installation" [or FAR 5252.228-7, "Insurance - Liability to Third Parties"] in Section I, insurance of the following kinds and minimum amounts shall be provided and maintained during the period of performance of this contract:

(a) Worker's compensation and employer's liability. The Contractor shall, as a minimum, meet the requirements specified at (FAR) 48 CFR 28.307-2(a).

(b) General liability. The Contractor shall, as a minimum, meet the requirements specified at (FAR) 48 CFR 28.307-2(b).

(c) Automobile liability. The Contractor shall, as a minimum, meet the requirements specified at (FAR) 48 CFR 28.307-2(c).

HSAR 3052.242-71 Dissemination of Contract Information (Dec 2003)

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

HSAR 3052.242-72 Contracting Officer's Technical Representative (Dec 2003)

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.

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.

COTR

Name: Dr. Mike Shepard

Phone No: 202-254-5325

E-mail Address: mike.shepard@dhs.gov

HSAR 3052.245-70 Government Property Reports (Jun 2006)

(a) The Contractor shall prepare an annual report of Government property in its possession and the possession of its subcontractors.

(b) The report shall be submitted to the Contracting Officer not later than September 15 of each calendar year on DHS Form 0700-5, Contractor Report of Government Property.

(END OF SECTION I)

PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

SECTION J - LIST OF ATTACHMENTS

J.1 STATEMENT OF WORK (24 pgs.)

J.2 DATA RIGHTS ASSERTION (1 pg.)

J.3 SUBCONTRACTING PLAN (32 pgs.)

J.4 AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE KINGDOM OF SWEDEN ON COOPERATION IN SCIENCE AND TECHNOLOGY FOR HOMELAND SECURITY MATTERS (24 pgs.)

J.1 STATEMENT OF WORK

“Laser Interrogation of Surface Agents (LISA) Standoff Explosives Detectors (SED)”

**U.S. Department of Homeland Security
Science and Technology Directorate
Explosives Division**

Background

The U.S. Department of Homeland Security (DHS) is committed to using cutting-edge technologies and scientific talent in its quest to make America safer. The DHS Directorate of Science and Technology (S&T) is tasked with researching and organizing the scientific, engineering, and technological resources of the United States and leveraging these existing resources into technological tools to help protect the homeland. DHS S&T is committed to protecting the homeland, its infrastructure, and citizens from threats including those presented by Improvised Explosive Devices (IEDs).

The Counter-IED (C-IED) program at DHS S&T is accomplishing this by developing technologies that aid in the detection of IEDs and their explosive components. DHS S&T customers need a greater capability than what is currently available for detecting IEDs in vehicles, specifically in standoff applications. This is especially relevant at high volume public areas and entrances to important infrastructure.

Raman spectroscopy has been shown to be an effective tool in identifying unknown chemicals. The major issue with Raman spectroscopy is the relatively weak response that needs to be detected. This issue is compounded when attempting to measure responses at a long standoff distance. However, previous efforts have shown that UV Raman spectroscopy can be used to detect and identify trace surface densities of explosive materials at long standoff distances.

The Contractor shall perform the tasks described in Section II of this Statement of Work (SOW). As described below, the Contractor shall develop, demonstrate, and deliver a prototype UV Raman Spectroscopy-based system for explosives detection at a distance. This technique will offer DHS S&T customers, for the first time, a standoff detection and identification technique for true trace levels of explosives.

Scope of Work

The Contractor shall perform the tasks described below:

- 1.1 Base Task: Development of a SED Brass Board (Tasks 1.1 through 1.1.5.2 funded in the base award).
 - 1.1.1 Limits of Detection Improvements
 - 1.1.1.1 Signal-to-Noise (SNR) Improvement. The Contractor shall evaluate methods to improve SNR by exploiting spatial information and the polarization of the recorded signal.

- 1.1.1.2 Signature Library and Test Suite Development. The Contractor shall extend the existing suite of Raman signatures and test data needed to support algorithm development and system design. The Government will prioritize the scope of the signature library and test suite.
- 1.1.1.3 Algorithm Development. The Contractor shall develop data processing methods to maximize probability of detection and minimize the false alarm rate. The Contractor shall also use experimental and simulated test data to optimize algorithm parameter settings. This effort will use standard techniques such as Design of Experiments (DOE) and Receiver Operating Characteristic (ROC) curves.
- 1.1.2 Brass Board Design
 - 1.1.2.1 Systems Engineering. The Contractor shall accomplish those tasks necessary to define the requirements for a Brass Board system.
 - 1.1.2.2 Hardware Design. The Contractor shall develop a Brass Board system. The system will be capable of transport to other locations and will operate under laboratory conditions. The system will be used to demonstrate detection and identification of explosive materials at trace concentrations on surfaces at standoff distances of at least 10 meters (15 meter goal). Preliminary requirements include:
 - Autofocus capability over a range of at least 5–15 meters
 - Target designator (could be the autofocus laser if visible)
 - Video viewing of the target with control via Commercial-Off-the-Shelf (COTS) software
 - Manual scanning with a joystick
 - Integrated command and control software
 - System control, data acquisition, data archiving, and the real-time detection algorithm will be integrated
 - Data viewing software to review archived data
 - The system will be ruggedized to the extent required to transport it and move it safely around a laboratory
 - The system will operate in normal laboratory conditions
 - 1.1.2.3 Software Design. The Contractor shall use COTS applications and software drivers to the maximum extent possible. The system software will be sufficient to permit setup, take measurements, and process the measurements through an algorithm in real time.
 - 1.1.2.4 Configuration Management. The Contractor shall track hardware and software changes so that the as-tested configuration could be duplicated.
- 1.1.3 Fabrication and Assembly
 - 1.1.3.1 Material Purchasing. The Contractor shall purchase the necessary material to build one Brass Board system and enough spares to support several months of testing.
 - 1.1.3.2 Assembly and Checkout. The Contractor shall assemble and test the Brass Board. The completed Brass Board with integrated software will be tested to ensure proper operation before being turned over for formal evaluation.
- 1.1.4 Brass Board Performance Evaluation
 - 1.1.4.1 Develop Test Plan. The Contractor shall plan for an in-plant (ITT) test of the Brass Board. The test will be designed to baseline system performance and determine the limits of operation. The Government will approve the test plan before testing is started.
 - 1.1.4.2 Conduct Test. The Contractor shall conduct tests at an ITT facility. Government personnel may witness all or portions of the testing. The Contractor shall provide the Government with a schedule of test events at least 30 days prior to test start.
 - 1.1.4.3 Test Reporting. The Contractor shall analyze the test data and provide a final test report. The report will include identification of issues that should be addressed on future developments.

- 1.1.4.4 System Requirements for Option 2. The Contractor shall develop the system requirements for a follow-on sensor. The follow-on sensor shall be designed for use in operationally relevant environments and conditions.
- 1.1.4.5 Operational Concept Development. The Contractor shall coordinate with the Government to understand and document the operational considerations that should be included in the design.
- 1.1.4.6 Requirements Definition. The Contractor shall use existing test data, models, and design concepts to develop system requirements for a fieldable prototype. The Contractor shall present the requirements and the underlying rationale for each at a Systems Requirement Review to be held at the Contractor's facility.
- 1.1.5 Program Management
 - 1.1.5.1 Program Management. The Contractor shall plan, schedule, and report on contract progress. Contract activities will be organized by Integrated Product Teams (IPTs). The Government reserves the right to participate in any or all of the IPTs. Progress will be reported in a monthly status report and at in-progress reviews. In-progress reviews will be held quarterly at DHS.
 - 1.1.5.2 Program Control. The Contractor shall provide financial and schedule status data to the Government. The data will be updated monthly and provided in the monthly status report.
- 1.2 Option 1: Evaluation of the SED Brass Board at a Government Facility.
 - 1.2.1 Packing and Shipping. The Contractor shall pack and ship the Brass Board system to a test location to be specified by the Government. Sufficient spares and consumables for at least 1 month of continuous testing will be shipped with the system. At completion of testing, the Contractor shall pack the Brass Board and any residual materials and ship it back to their facility.
 - 1.2.2 Test Plan Support. The Contractor shall provide test plan inputs to include any necessary safety assessments and recommendations.
 - 1.2.3 Test Support. The Contractor shall install and check out the system prior to test starts. The Contractor shall operate and maintain the equipment under direction from the Government. The Contractor shall support data analysis and preparation of final test reports.
- 1.3 Option 2: Development of a SED Fieldable Prototype
 - 1.3.1 Science Support
 - 1.3.1.1 Signature Library. The Contractor shall collect signatures of emerging explosive threats. The Government will prioritize the chemicals to be measured.

Algorithm Development. The Contractor shall use test data sets based on actual measurements to optimize algorithm parameter settings. This effort will employ Design of Experiments (DOE) and Receiver Operating Characteristic (ROC) curves techniques.
 - 1.3.2 Fieldable Prototype Design
 - 1.3.2.1 Systems Engineering. The Contractor shall update the system requirements based on testing of the Brass Board. The Contractor shall accomplish those tasks necessary to meet and verify the system requirements.
 - 1.3.2.2 Hardware Design. The Contractor shall develop a fieldable prototype system. Preliminary requirements for the fieldable prototype include:
 - Operation from a single location using integrated hardware/software. Operation will include built-in-tests, confidence checks, automatic

- calibration, and complete control including integrated algorithms for detection and identification
 - Data viewing software to review archived data
 - The system will be ruggedized to the extent required to move it safely to indoor and outdoor test sites
 - The system will operate over moderate outdoor environmental conditions
 - 1.3.2.3 Software Design. The Contractor shall integrate all software necessary to support setup, mission and post-mission operations.
 - 1.3.2.4 Configuration Management. The Contractor shall track hardware and software changes so that the as-tested configuration could be duplicated.
- 1.3.3 Fabrication and Assembly
- 1.3.3.1 Material Purchasing. The Contractor shall purchase the necessary material to build one fieldable prototype system and enough spares to support several months of testing.
 - 1.3.3.2 Assembly and Checkout. The Contractor shall assemble and test the fieldable prototype system. The completed fieldable prototype system with integrated software will be tested to ensure proper operation before being turned over for formal evaluation.
- 1.3.4 Brass Board Performance Evaluation
- 1.3.4.1 Develop Test Plan. The Contractor shall plan for an in-plant (ITT) test of the fieldable prototype system. The test will be designed to baseline system performance and determine the limits of operation. The Government will approve the test plan before testing is started.
 - 1.3.4.2 Conduct Test. The Contractor shall conduct tests at their facility. Government personnel may witness all or portions of the testing. ITT will provide the Government with a schedule of test events at least 30 days prior to test start.
 - 1.3.4.3 Test Reporting. The Contractor shall analyze the test data and provide a final test report. The report will include identification of issues that should be addressed on future developments.
- 1.4 Option 3: Evaluation of the SED Prototype at a Government Facility
- 1.4.1 Packing and Shipping. The Contractor shall pack and ship the Fieldable Prototype system to a test location to be specified by the Government. Sufficient spares and consumables for at least 1 month of continuous testing will be shipped with the system. At test completion, the Contractor shall pack the Brass Board and any residual materials and ship it back to its facility.
 - 1.4.2 Test Plan Support. The Contractor shall provide test plan inputs to include any necessary safety assessments and recommendations. It is expected that the Government test will include blind testing of samples.
 - 1.4.3 Training. The Contractor shall provide operator and maintainer training to Government personnel. A maximum of 20 students will attend the course(s). Training will include classroom and on-equipment time. The Contractor shall provide training material and technical manuals for the system.
 - 1.4.4 Test Support. The Contractor shall install and check out the system prior to test start. The Contractor shall provide on-call maintenance support and depot-level repair support

during the test. The Contractor shall provide on-site consultation. The Contractor shall support data analysis and preparation of final test reports.

Key Milestones and Deliverables

Program Element/Project	Major Sub-Tasks	Key Milestones and Deliverables
<p>Base Task: Develop a SED Brassboard</p>	<p>1.1.1 Limits of Detection Improvements</p> <p>1.1.2 Brass Board Design</p> <p>1.1.3 Fabrication and Assembly</p> <p>1.1.4 Brass Board Performance Evaluation</p> <p>1.1.5 Program Management</p>	<ul style="list-style-type: none"> • Kick-off Meeting NLT 45 days after contract award • Teleconferences & Meetings with DHS S&T Contracting Officer's Technical Representative (COTR), as requested or required. • Monthly Teleconferences with DHS S&T COTR, NLT 10 days after month's end • Quarterly Reports- 3, 6, and 9 months after award • Quarterly Presentations to DHS S&T COTR, NLT 14 days after Quarterly Report • Design Review NLT 9 months after contract award • Test Plan NLT 10 months after award • Safety Assessment Report NLT 10 months after award • Draft Performance Specification NLT 11 months after award • System Requirements Review NLT 11 months after contract award • Final Report- 11 months after award • Laboratory Brass Board NLT 11 months after award

Program Element/Project	Major Sub-Tasks	Key Milestones and Deliverables
Option 1: Evaluate the Brassboard at a Government Facility	1.1.1 Shipping 1.1.2 Test Plan Support 1.1.3 Test Support	<ul style="list-style-type: none"> • Teleconferences & Meetings with DHS S&T COTR, as requested or required. • Monthly Teleconferences with DHS S&T COTR, NLT 10 days after month's end • Quarterly Report- 3, months after award • Quarterly Presentation to DHS S&T COTR, NLT 14 days after Quarterly Report • Test Plan NLT 3 months after award • Final Report- NLT 5 months after award
Option 2: Develop a SED Fieldable Prototype	1.1.4 Science Support 1.1.5 Fieldable Prototype Design 1.1.6 Fabrication and Assembly 1.1.7 Fieldable Prototype Performance Evaluation	<ul style="list-style-type: none"> • Kick-off Meeting NLT 45 days after contract option award • Teleconferences & Meetings with DHS S&T COTR, as requested or required. • Monthly Teleconferences with DHS S&T COTR, NLT 10 days after month's end • Quarterly Reports- 3, 6, and 9 months after award • Quarterly Presentations to DHS S&T COTR, NLT 14 days after Quarterly Report • Performance Specification NLT 4 months after award • Preliminary Design Review NLT 4 months after contract award • Test Plan NLT 8 months after award • Safety Assessment

Program Element/Project	Major Sub-Tasks	Key Milestones and Deliverables
		Report NLT 8 months after award <ul style="list-style-type: none"> • Critical Design Review NLT 8 months after contract award • Operator's Manual NLT 12 months after award • Fieldable Prototype NLT 12 months after award • Final Report- NLT 12 months after award
Option 3: Evaluate the SED Prototype at a Government Facility	1.1.8 Packing and Shipping 1.1.9 Test Plan Support 1.1.10 Training 1.4.4 Test Support	<ul style="list-style-type: none"> • Teleconferences & Meetings with DHS S&T COTR, as requested or required. • Monthly Teleconferences with DHS S&T COTR, NLT 10 days after month's end • Quarterly Report- 3, months after award • Quarterly Presentation to DHS S&T COTR, NLT 14 days after Quarterly Report • Test Plan NLT 3 months after award • Training NLT 4 months after award • Final Report- NLT 5 months after award

Other Deliverables.

Non-proprietary Quad Chart and Program Summary Sheet are to be submitted to the COTR 15 days after award, and then updated as necessary. The quad chart will be one page with four annotated summary sections and the program summary sheet will contain an expanded summary and be no longer than one page in length.

Monthly Status Teleconferences.

A monthly teleconference will take place within 10 days following the end of the month between the Principal Investigator (PI) and DHS S&T COTR. In addition, a supplemental document will be electronically submitted to the DHS S&T COTR at least 48 hours prior to the scheduled teleconference. This document, entitled Monthly Summary, will describe the previous 30

calendar days' activity, technical progress achieved against goals, difficulties encountered, recovery plans (if needed), plans for the next 30 day period, and a financial summary for the subject period. The teleconference and one page document will satisfy monthly reporting requirements. Due Date: Within 8 days of the end of the month for summary sheet and 10 days for teleconference.

Quarterly Status Presentations will consist of the following:

Quarterly presentations will take place within of 14 days of submission of the quarterly reports. Quarterly reports are due as outlined in the chart above and are not to exceed 10 pages with cover page and will be electronically submitted to the DHS S&T COTR. The Quarterly presentations will be either conducted via phone or in person between the PI and the DHS S&T COTR to discuss the Quarterly Reports and overall project health. These reports will describe the previous 90 calendar days' activity, principals involved in the actual work of the period, technical progress achieved against goals, difficulties encountered, funds expended against each sub-task in the previous period, recovery plans (if needed), explicit plans for the next time period, and financial status. Due Date: 3, 6, and 9 months after award. Quarterly reports and presentations will take the place of months 3, 6, and 9 other reporting requirements.

Final Reports will consist of the following:

For a final report, the Contractor shall provide a technical report of their work performed during the preceding Phase or Phases. This will include, where applicable, performance predictions, estimates of cost of ownership, and an enumeration of remaining unknowns and uncertainties. This final report will be a cumulative, stand-alone document that describes the work of the entire Phase leading up to it. It must include any technical data gathered, such as, measurements taken, models developed, simulation results, and formulations developed. This final report should also include "lessons learned" from the effort, recommendations for future research in this area, and a comprehensive account of all funds expended. The final report will also include documentation of the executed work plan, including the contracted Statement of Work (SOW), as well as a work plan and SOW for proposed future efforts where appropriate. Due Date: 11 months after award for the initial award, 5 months for Option 1, 12 months for Option 2, and 5 months for Option 3.

Other Reports.

Additional deliverables will be required depending upon specific program attributes. The Program Manager and DHS S&T COTR will come to mutual agreement of the format and extent of such deliverables at the time of award. Additional deliverables may include, but are not limited to:

- Participation in an annual DHS event at the discretion of the DHS S&T COTR. Possible events include presentation or exhibition at stakeholder's meetings, customer events, or select technical conferences,
- Review meetings, to include a kickoff meeting and a final review meeting. Location of these meetings will be at the discretion of the DHS S&T COTR, but will likely be at the preferred location of the performer or DHS S&T.
- Where appropriate, system engineering drawings, blueprints, and specifications will be compiled and delivered to DHS S&T along with the final report.

Other Contract Details

- A. Period of Performance.** The period of performance for this effort will be a total of 37 months. The base award will be 12 months from date of contract award, with three

options. Option 1 has period of performance of 6 months, Option 2 has a period of performance of 13 months, and Option 3 has a period of performance of 6 months.

- B. Travel.** Travel may be required in the performance of the duties listed herein. It is anticipated that travel will be limited to the CONUS. The DHS S&T COTR must pre-approve all travel. Travel associated with the execution of the tasks stated herein will be reimbursed in accordance with the Federal Travel Regulation (www.gsa.gov/perdiem). The Contractor shall provide the appropriate supporting documentation when submitting invoices for payment of long-distance travel expenses. Local travel, defined as within fifty miles of a contractor employee's assigned workplace, will not be reimbursed.

The DHS S&T COTR and the DHS S&T Special Assistant for International Policy must approve any foreign travel in advance.

C. Government-furnished Information.

1. DHS will provide certain DHS information, materials, and forms unique to DHS to the Contractor in support of certain tasks under this effort.
2. The DHS S&T COTR identified herein shall be the point of contact for identification of any required information to be supplied by DHS.
3. The Contractor shall prepare any documentation according to the guidelines provided by DHS.

- D. Government-furnished Facilities, Supplies, and Services.** If work at DHS-provided facilities is necessary for the services being performed under this effort, such facilities will be provided at S&T's office in Washington, DC. Parking facilities are not provided. However, several commercial parking facilities are located near S&T's office. Basic facilities such as work space and associated operating requirements (e.g., phones, desks, utilities, desktop computers, and consumable and general purpose office supplies) will be provided to the Contractor's personnel working in S&T's office.

- E. Place(s) of Performance.** The Contractor shall perform the work under this effort at their Albuquerque, NM location, or other company facilities.

- F. Government-furnished Property (GFP).** GFP will not be provided to the Contractor unless otherwise agreed upon in a modification issued under this award. In such instances, DHS will maintain property records.

Before purchasing any individual item equal to or exceeding \$5,000 that is required to support technical tasks performed pursuant to this award, the Contractor shall obtain the DHS S&T CO's prior written consent. The DHS S&T Contracting Officer (CO) may lower or raise the aforementioned \$5,000 threshold at his/her discretion on written notice to the Contractor. If the DHS S&T CO consents to such purchase, such item shall become the property of DHS. The Contractor shall maintain any such items according to currently existing property accountability procedures. The DHS S&T CO will determine the final disposition of any such items.

- G. Deliverables.** The Contractor shall provide all deliverables identified herein directly to the DHS S&T COTR and DHS S&T Contracting Officer with a copy of the transmittal letter to the Financial Analyst.

H. Program Status Report. The Contractor shall deliver a monthly status report due within 8 days of the end of each month to the DHS S&T COTR, DHS S&T Explosives Business Operations Manager and the DHS S&T Financial Analyst containing metrics pertaining to financial, schedule, scope information, risk information and performance assessment of all performed hereunder. Refer to Section III, Other Deliverables, above for more details.

I. Security Requirements.

All work performed under this effort is unclassified unless otherwise specified by DHS.

If classified work is required under this effort, DHS will provide specific guidance to the Contractor as to which work will be conducted in a classified manner and at which classification level. The Contractor shall also adhere to other applicable Government orders, guides and directives pertaining to classified or confidential work. This effort may require access to information at the Unclassified, but Sensitive Security Information (SSI) level.

Points of Contact (POCs)

Contractor's Points of Contact

Howard Lavalley, Program Manager
ITT Corporation
Advanced Engineering & Sciences Division
5901 Indian School Road NE
Albuquerque, NM 87110
Phone: (b) (6)
e-mail:

Barbara (Bobbie) H. Zanca, Contracts Administrator
ITT Corporation
Advanced Engineering & Sciences Division
5009 Centennial Blvd.
Colorado Springs, CO 80919
Phone: (b) (6)
Fax: 7
E-mail:

The Contractor may change the individuals designated as POC upon written notification to DHS S&T.

DHS POCs

Contracting Officer's Technical Representative (COTR)
Dr. Michael Shepard
S&T EXD – MS 0206
U. S. Department of Homeland Security
245 Murray Lane SW – Bldg. 410
Washington, DC 20528-0206
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E-mail: (b) (6)

DHS S&T Explosives Business Operations Manager
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S&T EXD – MS 0206
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245 Murray Lane SW – Bldg. 410
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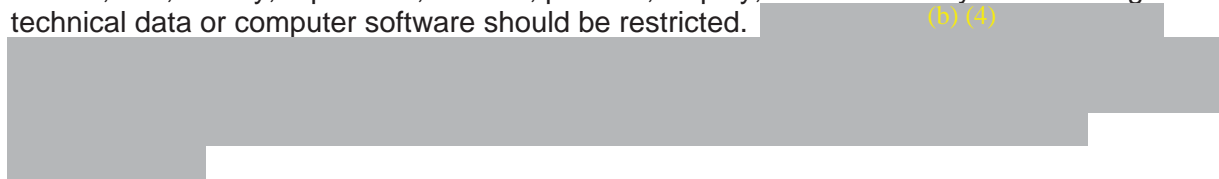
DHS S&T Financial Analyst
Omar Canales, Contractor
U. S. Department of Homeland Security
S&T SBD – MS 0214
245 Murray Lane SW – Bldg. 410
Washington, DC 20528-0214
Phone: (b) (6)
Fax: 205-28-0214
E-mail: (b) (6)

DHS S&T Invoices
DHS-ICE
Attn: S&T Invoices
Burlington Finance Center
P.O. Box 1000
Williston, VT 05495-1000
E-mail: sat.invoice.consolidation@dhs.gov

DHS S&T may change the individual designated as the COTR or CO upon written notification to the Contractor.

J.2 ASSERTION OF DATA RIGHTS


The Contractor asserts for itself, or the persons identified below, that the Government's rights to access, use, modify, reproduce, release, perform, display, or disclose only the following technical data or computer software should be restricted. (b) (4)



The Contractor conveys a royalty-free, fully paid-up, non-exclusive, irrevocable license to DHS for full use, display, and demonstration of the system by DHS and other Government agencies, including their support contractors under nondisclosure terms, for any Government purpose. This license is restricted to system use, display, and demonstration. No license to the underlying designs and technical data is conveyed during the term of this license. Upon expiration of the term of restricted rights, the entire system and all underlying designs and technical data shall be conveyed with Government Purpose Rights. Therefore, The Contractor's restrictions on data rights shall not adversely impact their ability to deliver data or meet program goals.

J. 2 ASSERTION OF DATA RIGHTS

The Contractor asserts for itself, or the persons identified below, that the Government's rights to access, use, modify, reproduce, release, perform, display, or disclose only the following technical data or computer software should be restricted. (b) (4)



The Contractor conveys a royalty-free, fully paid-up, non-exclusive, irrevocable license to DHS for full use, display, and demonstration of the system by DHS and other Government agencies, including their support contractors under nondisclosure terms, for any Government purpose. This license is restricted to system use, display, and demonstration. No license to the underlying designs and technical data is conveyed during the term of this license. Upon expiration of the term of restricted rights, the entire system and all underlying designs and technical data shall be conveyed with Government Purpose Rights. Therefore, The Contractor's restrictions on data rights shall not adversely impact their ability to deliver data or meet program goals.



DEFENSE CONTRACT MANAGEMENT AGENCY
DEFENSE CONTRACT MANAGEMENT AGENCY VIRGINIA
10500 BATTLEVIEW PARKWAY, SUITE 200
MANASSAS, VA 20109

IN REPLY

REFER TO: DCMAN-GVAD V. Manzella/703-530-3192)
08-vm-001

March 20, 2008

ITT Corporation, Advanced Engineering & Sciences Division
Mike Wilson, President
12975 Worldgate Dr.
Herndon, VA 20170-6008

SUBJECT: Master Subcontracting Plan Review

Dear Mr. Wilson:

On March 12, 2008 the DCMA Small Business Operation Center performed a review of ITT Corporation Master Subcontracting Plan.

The proposed Subcontracting Plan is acceptable in accordance with FAR 52.219-9. Based on the DCMA review your Master Subcontracting Plan is approved. The term of this approval is from March 12, 2008 through March 12, 2011.

This approval may be withdrawn by the Government at any time should it be determined that satisfactory subcontracting goals are not be achieved or based on new or more current contractor data. If you would like a copy of the DCMA report please email me your request.

Should you have any questions please contact the undersigned at 703-530-3192.

A handwritten signature in black ink that reads "Vincent Manzella".

VINCENT MANZELLA
Administrative Contracting Officer
DCMA Virginia

Cc: Diana Choffy, SBLO, ITT/AES



Advanced Engineering & Sciences Division

**In accordance with Public Laws 95-507, 99-661, Section 1207 and 100-180
as implemented by OFPP Policy Letter 80-2 and detailed in FAR 52.219-9;
The following, together with any attachments, is hereby submitted as a**

MASTER SUBCONTRACTING PLAN

For

**Utilization of Small Business, Small Disadvantaged Business, Historically Black Colleges and
Universities and Minority Institutions, Women-Owned Small Business, small business concerns
located in Historically Underutilized Business Zones, Veteran-Owned Small Business and
Service-Disabled Veteran-Owned Small Business Concerns**

March 12, 2008 through March 12, 2011


Signature:  **Date:** 3-12-2008
Frank Pallante,
Vice President,
Director of Contracts & Purchasing

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MASTER SUBCONTRACTING PLAN

The following, together with any attachments, is hereby submitted as a Subcontracting Plan to satisfy the applicable requirements of Public Law 95-507 as implemented by OFPP Policy Letter 80-2 and detailed in FAR 52.219-9 – Small Business Subcontracting Plan.

ITT Corporation, Advanced Engineering & Sciences Division, hereafter referred to as ITT/AES, is a part of ITT Corporation's Defense Electronics & Services Division. Through diversity in our subcontracting with small business concerns, we provide vital links to help strengthen the economy create new business opportunities and represent best business practices. ITT/AES' corporate commitment to our Small Business Program is a vital part of business operations. We provide small businesses maximum practicable access to any subcontracting opportunities we may have.

ITT/AES's Small Business Program is rated Outstanding

The ITT/AES Small Business Program has received an "Outstanding" rating from the U.S. Small Business Administration (SBA) and the Department of Contracting Management Agency (DCMA) Small Business Office. The rating is the highest that can be achieved by a prime contractor for the federal government, and was awarded after a joint audit review of ITT's small business subcontracting goals and accomplishments. Such contractor reviews occur approximately every five years as part of a legislative mandate.

The SBA and DCMA analyze whether the maximum practicable opportunities are being provided for small businesses including minority, women, hubzone, veteran, and service disabled veteran owned businesses. The SBA and DCMA cited ITT for strong management support of its supplier diversity program, good organization of documentation, numerous outreach activities and processes, internal training of the program, participation in the Mentor Protégé Program, participation in the Small Business Innovation Research (SBIR), and for having a Small Business Liaison Officer and assistant who provide strategic direction and oversee the program.

1. Corporate Policy Statement:

ITT/AES' corporate policy: POLICIES & STANDARD PRACTICES 40-09 assigns responsibilities for implementing the Small Business Program to comply with the statutes and regulations of FAR 52.219-8 and 52.219-9 in utilizing Small Business (SB), Small Disadvantaged Business (SDB), Historically Black Colleges and Universities and Minority Institutions (HBCU/MI), Women-Owned Small Business (WOSB), small business concerns located in Historically Underutilized Business Zones (HUBZone), Veteran-Owned Small Business (VOSB) and Service-Disabled Veteran-Owned Small Business (SDVOSB) concerns to the fullest possible extent. These policies are also cited in the corporate procurement manual SECTION 7 SMALL BUSINESS PROGRAM 7.1.1-7.1.5 which makes a statement of the requirements for implementing our procurement policies in giving all possible opportunities to SB, SDB, HBCU/MI, WOSB, HUBZone, VOSB, and SDVOSB concerns. The President of ITT/AES, together with the VP/Director of Contracts and Purchasing Department fully support, as indicated in Attachment 2, the implementation of the required laws that govern subcontracts and purchase orders.

2. Definitions:

As utilized in this Master Subcontracting Plan and in the SB Subcontracting goals:

Central Contract Registration: The Central Contractor Registration (CCR) is the primary vendor database for the U.S. Federal Government. The CCR collects, validates, stores and disseminates data in support of agency acquisition missions. Both current and potential government vendors are required to register in CCR in order to be awarded contracts by the government.

Master Subcontracting Plan: FAR 52.219-9 Incorporated by the contractor's cognizant contract administration office, a master subcontracting plan is established on a plant or division-wide basis. It contains all the elements required except goals. Separated goals for SB, SDB, HBCU/MI, WOSB, HUBZone, VOSB, and SDVOSB concerns are submitted for each contract for which a master subcontracting plan is used. Master plans are effective for a 3-year period after approval by the Administrative Contracting Officer (ACO). A master plan, when incorporated in an individual plan, shall apply to the contract throughout the life of the contract.

Small Business Concern: FAR 52.219-8 A concern including its affiliates, that is independently owned and operated, not dominant in the field of operations in which it is bidding on government contracts, and qualified as a small business under the criteria and size standards in 13 CFR Part 121 (FAR 19.102).

Small Disadvantaged Business: FAR 52.219-8. A small business that has received certification as a small disadvantaged business concern consistent with 13 CFR Part 124, subpart B. The net worth of each individual upon whom the certification is based does not exceed \$750,000 after taking into account the applicable exclusions set forth. It is listed, on the date of its representation, on the register of small disadvantaged business concerns maintained by the Small Business Administration. The firm must be at least 51 percent unconditionally owned by one or more socially and economically disadvantaged individuals; or in the case of any publicly owned business, at least 51 percent of the voting stock is unconditionally owned by one or more socially and economically disadvantaged individuals; and whose management and daily business operations are controlled by one or more such individuals.

Historically Black Colleges and Universities and Minority Institutions: DFARS 252.219-7003 Institutions determined by the Secretary of Education to meet the requirements of 34 CFR Section 608.2. The term also means any nonprofit research institution that was an integral part of such a college or university before November 14, 1986.

Women-Owned Small Business: FAR 52.219-8 (FAR 19.001) Is at least 51 percent owned by one or more women, or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and whose management and daily business operations are controlled by one or more women.

HUBZone Small Business: FAR 52.219-8, 13 CFR 126. A small business concern that has been certified by SBA as a HUBZone and is located in a historically underutilized business zone, which is in an area located within one or more qualified census tracts, qualified non-metropolitan counties, or lands within the external boundaries of an Indian reservations.

Veteran-Owned Small Business: FAR 52.219-8, A small business concern that is at least 51 percent owned by one or more veterans (as defined in 38 USC 101(2)), or, in the case of any publicly owned business, at least 51 percent of the stock is owned by one or more veterans. In addition, one or more veterans must control the management and daily business operations.

Service Disabled Veteran-Owned Small Business: FAR 52.219-8, A small business concern that is at least 51 percent owned by one or more service disabled veterans (as defined in 38 USC 101(16), or in the case of any publicly owned business, at least 51 percent of the stock is owned by one or more service disabled veterans. In addition, the management and daily business operations must be controlled by one or more service disabled veterans. In the case of a permanent or severe disability, the spouse or caregiver of such a service disabled veteran may control the management and daily operations.

3. Goals:

Individual goals will be developed for each subcontracting plan when an individual plan is required for a solicitation/contract. Attachment 1 will contain these estimated individual Small Business Program goals. The goals will include percentages, dollars and a description of principal products and/or services to be obtained from SB, SDB, HBCU/MI, WOSB, HUBZone, VOSB, and SDVOSB concerns.

4. Principal Types of Supplies and Services to be Subcontracted:

Each contract specific subcontracting plan with individual goals will contain a description of principal products and/or services to be subcontracted to SB, SDB, HBCU/MI, WOSB, HUBZone, VOSB, and SDVOSB concerns.(FAR 52.219-9(3) The products and/or services will be identified in a chart on Attachment 1. ITT/AES will identify potential bidding opportunities for SB, SDB, HBCU/MI, WOSB, HUBZone, VOSB, and SDVOSB concerns. These supplies and services will generally be associated with a multi-program of science, engineering, research and development. SB, SDB, HBCU/MI, WOSB, HUBZone, VOSB, and SDVOSB concerns will supply a significant portion of the goods and services purchased. Examples of general commodities utilized are as follows:

Laboratory Equipment	Computer Supplies & Equipment
Specialty/Promotional items	Tools
Safety Equipment	Computer & Office Supplies
Office Supplies & Furniture	Electrical Components & Assemblies
Mechanical Subassemblies	Electronics
Engineering Services & Supplies	

5. Method Used To Develop Goals:

The following methods will be used to develop the subcontracting goals:

- (a) Identification of all major requirements from the bill of materials or SOW.
- (b) Make or buy decisions.
- (c) Direct services and supplies.
- (d) Identify those items that can successfully be set aside for small business acquisitions.

ITT/AES' small business goals should be challenging but realistic. It is our best judgment that the proposed SB, SDB, HBCU/MI, WOSB, HUBZone, VOSB, and SDVOSB subcontracting plan for the design, development and fabrication of this system takes into consideration the known, the unknown and a challenge to offer the maximum opportunity for the SB, SDB, HBCU/MI, WOSB, HUBZone, VOSB, and SDVOSB community to participate in this contract. Changes in our Bill of Material will take place as the job progresses and SB, SDB, HBCU/MI, WOSB, HUBZone, VOSB, and SDVOSB concerns will be considered as potential sources during the administration phase.

6. Method Used to Identify Potential Sources:

Source lists utilized in developing the goals for individual contracts include:

- (a) Existing relationships with local firms.
- (b) Central Contract Registration www.ccr.gov, under SBA's on-line database; Dynamic Small Business Search.
- (c) SBA office and business development offices, resulting in identification of SB sources.
- (d) Source list gathered at sponsored trade fairs and conferences designed to attract SB.

Method Used to Identify Potential Sources cont:

- (e) Utilize vendor lists maintained on shared files by buyers comprised of hundreds of vendors, which are coded by vendor business type.
- (f) Utilize Minority Business Information Resource Directories.
- (g) Minority Business and Professional Directory
- (h) National Association of Women Business Owners
- (i) Asian Business League
- (j) DC Black Chamber of Commerce
- (k) U. S. Department of Education Accredited Postsecondary Minority Institutions – www.ed.gov
- (l) White House Initiative on Historically Black Colleges and Universities and Minority Institutions
- (m) National Latin Management Association
- (n) Virginia Minority Supplier Development Council
- (o) Virginia Department of Minority Enterprise/Resource Link
- (p) National Center for American Indian Enterprise Development
- (q) Native American Chamber of Commerce
- (r) U. S. Small Business Administration Commercial Marketing Representative (CMR)
- (s) Department of Defense Small and Disadvantaged Business Utilization Office
- (t) OSDBU Directors Small Business Conference
- (u) SBA Small Business Week
- (v) Matchmaking Events
- (w) Mid-Atlantic Regional Council

7. Indirect Costs:

ITT/AES does not include indirect costs in establishing goals for subcontracting plans because addition of those dollars would not be a true measure of dollars paid to our subcontractors. Only actual dollars paid to our subcontractors are reported as goals. Additionally indirect rate dollars cannot reasonably be determined to be able to attribute them to a specific cost objective, because they are allocated percentages of indirect costs.

8. Subcontract Plan Administrator:

The following employee will administer the subcontracting program:

Name: Diana Choffy
Title: Small Business Liaison/Program Administrator
Address: (b) (5) 9
Telephone No: (b) (5)
E-Mail Address: (b) (5)

This individual's specific duties, as they relate to the firms subcontracting program, are as follows:

- a) Oversees compliance with the content of the Plan.
- b) Ensures that all subcontracts placed contain the requirements of FAR 19.708 and 52.219-8 and 52.219-9 as implemented by this plan and are being fulfilled by subcontractors.
- c) Assures inclusion of SB, SDB, HBCU/MI, WOSB, HUBZone, VOSB, and SDVOSB concerns in all solicitations for products or services, which they are capable of providing.

Subcontract Plan Administrator cont.

- d) Reviews solicitations to remove statements, clauses, etc., which may tend to restrict or prohibit SB, SDB, HBCU/MI, WOSB, HUBZone, VOSB, and SDVOSB concerns participation.
- e) Develops and maintains bidder lists of SB, SDB, HBCU/MI, WOSB, HUBZone, VOSB, and SDVOSB concerns from all possible sources.
- f) Ensures that contract files document reasons why small business concerns were not selected to perform work.
- g) Documents and provides notice to subcontractors concerning penalties and remedies for misrepresentations of business status as SB, SDB, HBCU/MI, WOSB, HUBZone, VOSB, and SDVOSB.
- h) Establishes SB recognition and awards program.
- i) Establishes and maintains SBLO Program file structure.
- j) Ensures the establishment and maintenance of records of solicitations and subcontract award activity.
- k) Participates in Small Business Opportunity Workshops, Conferences, Seminars, Trade Fairs, etc.
- l) Maintains records of all outreach efforts including contact with trade associations.
- m) Provides training, guides and directs Subcontract Administrators, Program Managers and Purchasing personnel in search for additional SB, SDB, HBCU/MI, WOSB, HUBZone, VOSB, and SDVOSB concerns.
- n) Prepares and submits timely required semiannual subcontracting reports (ISR: Individual Subcontracting Report, SSR: Summary Subcontract Report & Year–End Supplement Report for Small Disadvantaged Business) to Defense Contracts Management Command in Manassas, VA, the Small Business Administration, and to Government and Commercial customers.
- o) Primary interface with all compliance reviews and audits by the Government.

9. Equitable Opportunity:

The following efforts will be taken to assure that SB, SDB, HBCU/MI, WOSB, HUBZone, VOSB, and SDVOSB concerns will have an equitable opportunity to compete for subcontracts.

a. Outreach efforts will include:

- (1) Contacts with minority and small business trade associations.
- (2) Contacts with business development organizations.
- (3) Attendance and participation at small and minority business procurement conferences.
- (4) Trade fairs throughout the United States.
- (5) Vendor Days held at company locations to give Program Managers, Contract Managers and Buyers the opportunity to network with Small Businesses.

b. Sources will be identified from SBA Central Contractor Registration (www.ccr.gov) and SBA SUB-Net (<http://web.sba.gov/subnet/>) will be utilized to post subcontracting opportunities.

c. The following records of internal company-wide guidance and encouragement will be provided to buyers and program managers:

- (1) Workshops, seminars, and training programs will be conducted.
- (2) These activities will be monitored to evaluate compliance with the program's requirements.
- (3) Arrange interviews with SB, SDB, HBCU/MI, WOSB, HUBZone, VOSB, and SDVOSB concerns.

Equitable Opportunity cont:

- (4) Recognition awards relative to SB program accomplishments.
- (5) ITT/AES' policy accordingly with FAR 19.702 established procedures to ensure timely payment of amounts due pursuant to the terms of subcontracts with SB, SDB, HBCU/MI, WOSB, HUBZone, VOSB, and SDVOSB concerns.
- (6) As a mentor firm, under the Pilot Mentor-Protégé Program established under Section 831 of Public Law 101-510, ITT/AES ensures all possible opportunities to small disadvantaged businesses, as subcontractors and suppliers. ITT/AES assists protégé firms in enhancing their capabilities to increase participation in Government and commercial contracts.

10. Flowdown of Clauses:

ITT/AES agrees that FAR clause 52.219-8 entitled "Utilization of Small Business Concerns" and DFARS clause 252.219-7003 entitled "Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan" (DOD Contracts) (Sept 2006) will be included in all subcontracts which offer further subcontracting opportunities, and all subcontractors, except SB concerns, who receive subcontracts in excess of \$550,000 (\$1,000,000 for construction of any public facility) will be required to adopt and comply with a subcontracting plan similar to the plan required by FAR 52.219-9, entitled "Small, Business Subcontracting Plan". Such plans will be reviewed by comparing them with the provisions of P.L. 95-507 and assuring that all minimum requirements of an acceptable subcontracting plan have been satisfied.

The acceptability of percentage goals shall be determined on a case-by-case basis depending on the supplies/services involved, the availability of potential SB, SDB, HBCU/MI, WOSB, HUBZone, VOSB, and SDVOSB, and prior experience. Once approved and implemented, plans will be monitored through the submission of periodic reports, and/or, as time and availability of funds permit, periodic visits to subcontracting program participants.

11. Reports and Surveys:

ITT/AES agrees to submit such periodic reports and cooperate in any studies or surveys as may be required by the contracting agency or the Small Business Administration in order to determine the extent of compliance by the subcontracting plan and with the clause entitled "Utilization of Small Business Concerns" contained in the applicable contract.

ITT/AES agrees to submit the original and a copy of Subcontracting Report for Individual Contracts in the form of ISR: Individual Subcontracting Reports, SSR: Summary Subcontract Report to required support submissions and (when applicable) Official Form 312 (OF-312) & Year-End Supplement Report for Small Disadvantaged Business) and Small Disadvantaged Business Participation Report in accordance with the instructions on the reports as referenced in P.L. 95-507, Section 211. Regardless of the effective date of this contract, the report will be submitted for the entire life of the contract within thirty (30) days after the close of each reporting period. These reports will be sent to the designated contracting office with copies to the cognizant SBA commercial marketing representative.

ITT/AES agrees to submit the "Summary Subcontract Report", SSR, in accordance with the instructions on the report as referenced in P.L. 95-507, Section 211. The Summary Report of DOD awards will be submitted within thirty (30) days after the close of each reporting period to the

Reports and Surveys cont.:

Administrating Contracting Officer with a copy to the cognizant SBA commercial marketing representative.

ITT/AES will work to ensure that its subcontractors, with subcontracts in excess of \$550,000 (\$1,000,000 for construction), will adopt subcontracting plans (with file copies to be maintained by ITT/AES) and submit ISR, SSR and OF-312 reports in a timely fashion as required by FAR 52.219-9

12. Maintenance of Records:

ITT/AES agrees that it will maintain at least the following types of records to document compliance with this subcontracting plan per FAR 52.219-9.

- a.) Keep source list, guides, and other data identifying SB, SDB, HBCU/MI, WOSB, HUBZone, VOSB, and SDVOSB concerns.
- b.) Keep lists of organizations contacted in an attempt to locate SB, SDB, HBCU/MI, WOSB, HUBZone, VOSB, and SDVOSB concerns.
- c.) On a contract-by-contract basis, records on all subcontract solicitations over \$100,000, indicating for each solicitation (1) whether SB concerns were solicited, and if not, why not; (2) whether VOSB concerns were solicited and if not, why not; (3) whether SDVO concerns were solicited and if not, why not; (4) whether HUBZone SB concerns were solicited, and if not, why not; (5) SDB concerns were solicited, and if not, why not; (6) whether WOSB concerns were solicited, and if not, why not, and (7) reasons for the failure of solicited SB, SDB, HBCU/MI, WOSB, HUBZone, VOSB, and SDVOSB concerns to receive the subcontract award.

13. Attachments:

- a. **Attachment 1** is included when an individual plan is required and developed for a solicitation/contract. It will outline and contain percentages and dollar goals established for SB, SDB, HBCU/MI, WOSB, HUBZone, VOSB, and SDVOSB participation.
- b. **Attachment 2** is the ITT/AES Presidents' policy statement of internal guidance to the company's subcontract administrators, buyers, program managers and other employees recognizing ITT/AES' commitment to Public Laws 95-507 and 99-661, Section 1207. The Master Subcontracting Plan format addresses all elements set forth in provision FAR Clause 52.219-9 and the company's best effort to maximize subcontracting opportunities with SB, SDB, HBCU/MI, WOSB, HUBZone, VOSB, and SDVOSB.
- c. **Attachment 3** are copies of letters from The Small Business Administration and the Defense Contracting Management Agency indicating that ITT/AES' Small Business Subcontracting Program was reviewed on June 23, 2009 and rated as "Outstanding".
- d. **Attachment 4** is a five year trend chart of ITT/AES's small business utilization percentages. These statistic trends include five years of overall small business subcontracting performance. The percentages reflect the consistent level of awards to small business and also demonstrate our improvements. Our subcontracting efforts are at the maximum level based on the opportunities available, mentoring of new and existing suppliers and a trend toward achieving goal objectives.

Attachment 1



Advanced Engineering & Sciences Division

Small Business Subcontracting Goals

As described by ITT/AES' Master Subcontracting Plan, following are estimated individual goals for this solicitation/contract. The total percentages of planned subcontracting with small business concerns includes total dollars planned to be subcontracted with Small Business (SB), Small Disadvantaged Business (SDB), Historically Black Colleges and Universities and Minority Institutions (HBCU/MI), Women-Owned Small Business (WOSB), small business concerns located in Historically Underutilized Business Zones (HUBZone), Veteran-Owned Small Business (VOSB), Service-Disabled Veteran-Owned Small Business (SDVOSB) & concerns.

Contracting Agency: Department of Homeland Security Science and Technology Directorate

Individual Subcontracting goals for Contract / Solicitation No.: S & T Long Range BAA 10-01

Proposal No.: 4735A

Proposal Title: LISA® Standoff Explosives Detector

Subcontracting Plan Goals were prepared by:


Signature

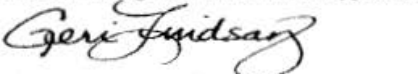
Barbara Zanca, Contracts Administrator

Name/Title

April 30, 2010

Date

Subcontracting Plan was reviewed/approved by:


Signature

SBLO Assistant, for Diana Choffy

Signature

Diana Choffy, SBLO

AES Small Business Liaison/ Program Administrator

April 30, 2010

Date

Subcontracting Plan goals accepted by:

Signature

Name /Title (Contracting Officer)

Date

INDIVIDUAL SUBCONTRACTING PLAN GOALS

Solicitation No: S & T Long Range BAA 10-01

Date: April 30, 2010

Total Estimated Contract Value \$8,944,714
 Total Estimated Subcontracting (Estimated Dollars and % of Contract Value)
 Large Business Subcontracting (Estimated Dollars and % of Total Subcontracting)
 Total Small Business Subcontracting (Estimated Dollars and % of Total Subcontracting)

(b) (4)

Estimated Dollars and Percentages based on "Total Subcontracting"

The total percentage of planned subcontracting with small business concerns includes total dollars planned to be subcontracted with veteran-owned small, service-disabled veteran-owned small, HUBZone small, small disadvantaged and women-owned small business concerns.

	Base Year	Option Year 1	Option Year 2	Option Year 3	Total Estimated Subcontracting Dollars and %
Small Business Concerns (Includes all SB, SDB, WOSB, HUBZone, VOSB and SDVOSB)	(b) (4)				
LB Concerns					
Total					
SDB					
WOSB					
HUBZone					
SDVOSB					

Principal Types of Supplies and Services to be Subcontracted

The following principal type products and/or services will be subcontracted in support of this Plan. They are generally associated with a multi-program of science and engineering. SB, SDB, HBCU/MI, WOSB, HUBZone, VOSB, and SDVOSB will generally supply a significant portion of the goods and services purchased. Examples of commodities are as indicated below.

Products/Services	SB	SDB	WOSB	HBCU/MI	HUBZONE	VOSB	SDVOSB
	(b) (4)						

NOTE: Due to the highly technical nature of the subcontracted items under this R&D proposal we were unable to identify sufficient resources to meet the target goals of 3% for HUBZone and 3% for SDVOSB. Our aim is always to meet or exceed our goals but we cannot reasonably propose higher goals for these two categories based on our assessment of the available market. ITT/AES is strongly committed and has a successful record in small business outreach and utilization. We will offer a broad range of opportunities to small business concerns and will continue our best efforts to locate sources for participation in this project.

Attachment 2



Michael R. Wilson
President
Advanced Engineering & Sciences

ITT Corporation

12975 Worldgate Drive
Herndon, VA 20170
Tel: 703 668 6000
Fax: 703 668 6592
mike.wilson@itt.com

MEMO TO: Advanced Engineering & Sciences Employees

May 2009

SUBJECT: Supplier Diversity Policy

ITT Corporation, Advanced Engineering & Sciences Division (ITT/AES) is committed to developing successful and mutually beneficial business relationships with Small Business, Small Disadvantaged Business, Historically Black Colleges, Universities and Minority Institutions, Women-Owned Small Business, small business concerns located in Historically Underutilized Business Zones, Veteran-Owned Small Business and Service-Disabled Veteran-Owned Small Business concerns through its Supplier Diversity Initiative.

The goals of the ITT/AES Small Business Program are to:

- Add value to the Corporation by using a diverse base of suppliers.
- Promote opportunities for all small businesses concerns.
- Recognize and support small business communities.
- Build awareness throughout the organization of the contribution that successful small businesses can make to economic vitality.

ITT/AES Supplier Diversity extends the commitment to every part of the company, and the effort encompasses all procurement activities. The success of the initiative requires the participation and support of every employee in seeking out and providing procurement opportunities to Small Business concerns.

The expectation is that a successful Supplier Diversity Policy will be demonstrated by the following actions and results:

- Increase in expenditures with small business concerns to achieve or exceed corporate goals
- Participation by ITT/AES departments in Supplier Diversity initiatives, such as workshops, trade shows, and networking activities.
- Recognition of departments and individuals for outstanding achievements in the area of Supplier Diversity.

A handwritten signature in black ink, reading "Michael R. Wilson".



Attachment 3a

U. S. SMALL BUSINESS ADMINISTRATION
Government Contracting, Area V
721 19TH Street, Suite 447
Denver CO 80202-2517
(303) 844-0515 • FAX (303) 844-0514

July 7, 2009

Ms. Diana Choffy
Small Business Liaison / Program Coordinator
ITT / Advanced Engineering & Sciences Division
5009 Centennial Blvd
Colorado Springs, CO 80919

Dear Ms. Choffy:

On June 23, 2009, Jim Schroeder, Defense Contract Management Agency-Denver, and I, along with Ed Kurtz, visited your firm to conduct a review on your company's performance under the Small Business Subcontracting Program for the prior twelve months.

ITT/AES' rating for the covered period has been assessed as **Outstanding**. The Review Team was very impressed with thoroughness and enthusiasm of you and all the staff members that supported you during this review. Further, the team was most impressed by what seemed to be a company-wide, cultural commitment to the Small Business Program. The Small Business Program at ITT/AES has matured considerably since our last visit and every where we looked we saw evidence of a strong effort to support small business initiatives. It is also worth noting that the preparation for this review done by you and Ms. Lindsay was exemplary and made our review of ITT/AES activities a very easy task, indeed.

There were no Findings or Observations.

If you have any questions about the attached report, please contact me at (303) 844-2607 x271.

Your firm's continuous cooperation with the review process is appreciated.

Sincerely,

Karen Klam
Commercial Market Representative
SBA

Enclosures: Attendee List, Entrance Briefing, June 23, 2009
Attendee List, Exit Briefing, June 23, 2009
Purchase Order Review List, SBA Form 1908, June 23, 2009
Purchase Order Review List, DCMA Form 640, June 23, 2009

Cc: Mr. James M. Schroeder, Procurement Analyst, DCMA



Attachment 3b

DEFENSE CONTRACT MANAGEMENT AGENCY
SMALL BUSINESS OPERATION CENTER - WEST DIVISION
Building 16, Denver Federal Center
P.O. Box 25586
Denver Colorado, 80225-0586

IN REPLY
REFER TO DCMAC-CW

June 30, 2009

Mr. Frank Pallante
Vice President, Director of Contracts and Purchasing
ITT Corporation, Advanced Engineering & Sciences Division
12975 Worldgate Drive
Herndon, Virginia 20170

Dear Mr. Pallante:

A compliance review of your Small Business Subcontracting Program was held on June 23, 2009. Mr. James Schroeder, Procurement Analyst, DCMA, Ms. Karen Klam, Commercial Market Representative, U.S. Small Business Administration, and Mr. Ed Kurtz, Procurement Center Representative, U.S. Small Business Administration, conducted the review. Representing ITT was Diana Choffy, Small Business Liaison Officer and Geri Lindsay, Assistant Small Business Liaison Officer.

Purchase orders written to large businesses, operating procedures for the implementation of your program, and reports prepared for submission to the Department of Defense, were examined. The review found your program to be in compliance with contractual requirements and is rated the highest rating a contractor can receive, "Outstanding". This review discovered the continued evidence of top-level management commitment, which is a key factor in its success. Other key factors surfaced such as, dedication, enthusiasm, commitment, and knowledge. ITT has taken the lead to implement initiatives to increase the participation of small businesses. Additionally, your program is a model which could be used by other companies in your field.

Please communicate our appreciation to your staff for the time involved with gathering the documentation necessary for supporting this review. It was presented in an orderly and understandable manner. The support you and your company provide to this very important socio-economic program is greatly appreciated.

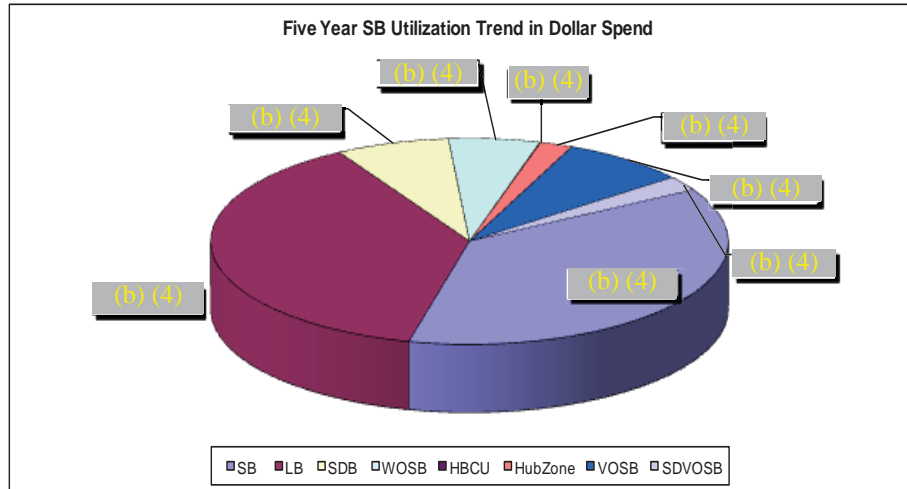
Sincerely,

JPM DeWillican W. Middleton
Division Chief - West

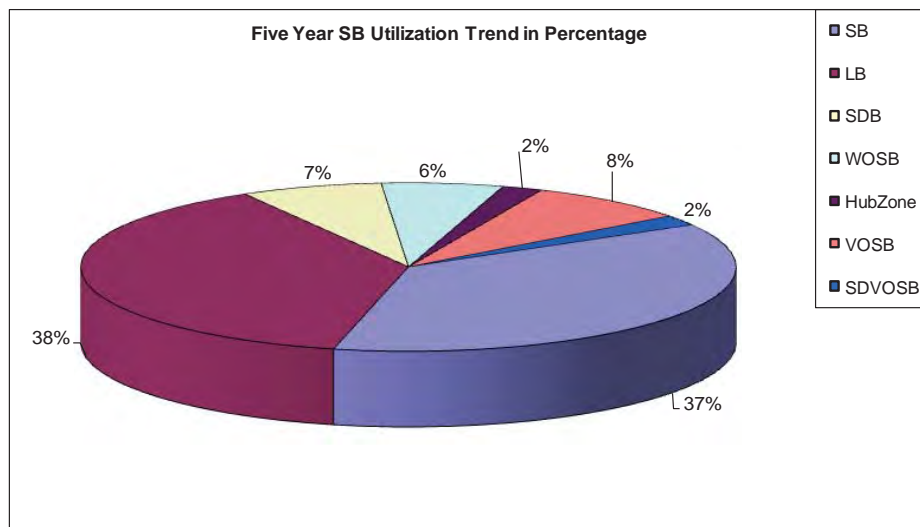
Cc: K. Myers, ACO

Attachment 4

Cumulative Small Business Utilization History 2005 thru 2009



Cumulative Small Business Utilization History 2005 thru 2009



AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE KINGDOM OF SWEDEN ON COOPERATION IN SCIENCE AND TECHNOLOGY FOR HOMELAND SECURITY MATTERS

Preamble

THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE KINGDOM OF SWEDEN (hereinafter referred to as the “Parties”):

HAVING a mutual interest in research and development relating to homeland security matters;

SEEKING to make the best use of their respective research and technology development capacities, eliminate unnecessary duplication of work and obtain the most efficient and cost effective results through cooperative activities;

DESIRING to increase the exchanges of information and personnel in areas pertinent to the identification of homeland security threats and countermeasures and consequence management and the development of technical standards, operational procedures, and supporting methodologies that govern the use of relevant technologies;

STRESSING that physical and cyber-based critical infrastructures and other homeland security capabilities, both governmental and private, are essential to the operation and security of the Parties’ respective economies and governments;

NOTING that the Parties’ economies are increasingly interdependent, and that infrastructure protection and homeland security are of paramount concern to the Parties’ respective governments;

BEING AWARE of research, development, testing, evaluation, development of technical standards and operations in both countries in chemical, biological, radiological, nuclear and explosive countermeasures and consequences management, in other areas that could enhance homeland security;

NOTING the important work accomplished under arrangements such as the Agreement on Science and Technology Cooperation Between the Government of the United States of America and the Government of the Kingdom of Sweden, dated June 29, 2006;

RECOGNISING a common desire to:

- expand the homeland security technology capabilities of each Party;
- minimise unnecessary duplication of work;
- obtain more efficient and cost-effective results; and
- adapt more flexibly to the dynamic threat environment

through cooperative activities that are mutually beneficial and that relate to the application of state-of-the-art and emerging security technologies, making best use of the Parties’ respective research, development, and testing and evaluation capacities;

AFFIRMING a common interest in enhancing the longstanding collaborative efforts of the Parties' respective agencies, private sector and governmental organisations, and academic institutions in generating scientific and technological solutions to counter threats, reduce vulnerabilities, and respond to and recover from incidents and emergencies in those areas having the potential for causing significant security, economic, and/or social impacts;

DESIRING to set forth a vehicle for the conduct of cooperative scientific and technological research, development, testing and evaluation in the field of homeland security;

HAVE AGREED as follows:

ARTICLE 1

Definitions

For purposes of this Agreement between the Government of the United States of America and the Government of the Kingdom of Sweden on Cooperation in Science and Technology for Homeland Security Matters (the "Agreement"), the Parties have adopted the following definitions:

Agreement Director	Has the meaning given to it in Article 5 (Management) of this Agreement.
Business Confidential Information	Has the meaning given to it in Section IV of Annex I to this Agreement.
Classified Contract	A Contract that requires, or will require, access to Classified Information by a Contractor or by its employees in the performance of a Contract.
Classified Information	Official information that requires protection for national security, law enforcement, domestic security, or other reasons and is so designated by the application of the appropriate security classification markings in accordance with the national laws, regulations, policies, or directives of either Party. It may be in oral, visual, magnetic, electronic, or documentary form, or in the form of Equipment and Material or technology. Classified Information under this Agreement shall be deemed to have the same meaning as "Classified Military Information" in the General Security of Military Information Agreement between the Government of the United States and the Government of the Kingdom of Sweden, dated December 4 and 23, 1981.
Contract	A legally enforceable agreement to provide goods or services.
Contracting Agency	Any entity within the government organisation of a

Party that has authority to enter into, administer, and/or terminate contracts.

Contractor

An individual or a commercial entity that agrees to provide goods or services.

Controlled Unclassified Information

Information that is not deemed to be Classified Information in the United States, but to which access or distribution limitations have been applied in accordance with national laws, regulations, policies, or directives of either Party. Whether the information is provided or generated under this Agreement, it will be marked to identify its sensitive character. This definition includes, but is not limited to, information marked "Sensitive Homeland Security Information," "Sensitive Security Information," "For Official Use Only," "Law Enforcement Sensitive Information," "Protected Critical Infrastructure Information," "Restricted," and "Trusted Information Sharing Network for Critical Infrastructure Protection (TISN) In Confidence." Controlled Unclassified Information may include Business Confidential Information.

Cooperative Activity

Any form of activity described in Article 7 (Forms of Cooperative Activity) of this Agreement on which the Parties agree to cooperate to achieve the objectives of this Agreement. Such activity will normally take the form of a Project.

Critical Infrastructure/Kritisk Infrastruktur

Governmental and/or private activities or sectors that are identified by each Party in its laws, executive orders, directives or policies as "Critical Infrastructure" or "Kritisk Infrastruktur".

Designated Security Authority (DSA)

The government authority responsible for the development of policies and procedures governing security of Classified or Controlled Unclassified Information covered by this Agreement.

Equipment and Material

Any document, product or substance on or in which information may be recorded or embodied. Material shall encompass everything regardless of its physical character for makeup including documents, writing, hardware, equipment, machinery, apparatus, devices, models, photographs, recordings, reproductions, notes, sketches, plans, prototypes, designs, configurations, maps and letters, as well as all other products, substances or material from which information can be derived.

Government-to-Government Transfer

The principle that Classified Information and classified Material will be transferred through official government-to-government channels or through other

channels as may be mutually agreed, in writing, by the Parties in accordance with the requirements laid down by both Parties.

Intellectual Property

Has the meaning given in Article 2 of the Convention Establishing the World Intellectual Property Organization, done at Stockholm July 14, 1967 and may include other subject matter as agreed by the Parties.

Need-to-Know

A determination made by an authorized holder of Classified Information that a prospective recipient requires access to specific Classified Information in order to perform or assist in a lawful and authorized governmental function.

Participant

Any non-federal or non-central government person or entity, including but not limited to a private sector organisation, academic institution, or laboratory (or subsidiary thereof) engaged in accordance with Article 9 (Participants).

Personnel Security Clearance Assurance (PSCA)

- a. A certification provided by one of the Parties concerning the level of personnel security clearance held by an individual who is employed by a government agency, or Contractor facility under the jurisdiction of one of the Parties.
- b. A statement provided by the DSA of the individual's country of citizenship concerning the individual's eligibility for a personnel security clearance at a level specified by the requesting Party for individuals who are a citizen of one Party but is to be employed by the other Party or its Contractors.

Project

A specific form of Cooperative Activity described in Article 8 (Projects).

Project Arrangement

The instrument setting out the scope of any Project to be carried out by the Parties described in Article 8 (Projects).

Project Background Information

Any information furnished to a Project regardless of form or type, including that of a scientific, technical, business, or financial nature, and including photographs, reports, manuals, threat data, experimental data, test data, designs, specifications, processes, techniques, inventions, software, source code, drawings, technical writings, sound recordings, pictorial representations, and other graphical presentations; whether in magnetic tape, electronic media, computer memory, or any other form and whether or not subject to intellectual property protections.

Project Development

That stage of a Project during which Project Foreground Information arises through the development of technologies, prototype equipment and other activities included in a Project.

Project Foreground Information

Any information created in a Project, regardless of form or type, including that of a scientific, technical, business, or financial nature, and including photographs, reports, manuals, threat data, experimental data, test data, designs, specifications, processes, techniques, inventions, software, source code, drawings, technical writings, sound recordings, pictorial representations, and other graphical presentations; whether in magnetic tape, electronic media, computer memory, or any other form and whether or not subject to intellectual property protections.

Receiving Party

The Party to which Classified Information is transferred.

Research, Development, Testing and Evaluation (RDT&E)

Programs and activities, including basic research, applied research, advanced technology development, proof of principle, verification, validation, and development of technical standards of the Parties and/or Participants that seek to identify, develop, and implement technological and analytical solutions, tools and techniques to address the homeland security capability needs of each Party.

Sending Party

The Party that originates and/or transfers Classified Information to the Receiving Party.

Sponsorship Arrangement

A written agreement between a Participant and a Party where the Party engages the Participant to carry out work on its behalf relating to Cooperative Activity.

**Technology
Management Plan**

A specific component of the Project Arrangement jointly developed by the Parties in which they agree on how Project Background and Foreground Information will be handled, and which will discuss among other things, the rights of the Parties and their Contractors and Participants concerning Intellectual Property created under this Agreement, including how any royalties shall be shared, where such Intellectual Property shall be protected, and who shall be responsible for obtaining that protection and granting licenses.

Third Party

Any entity or person who is neither a Party to this Agreement nor a Participant in any of its Cooperative Activities.

ARTICLE 2

Objective

The objective of this Agreement is to establish a framework to encourage, develop and facilitate bilateral Cooperative Activity in science and technology that contributes to the homeland security capabilities of both Parties in:

- a) the prevention and detection of, response to, and forensics and attribution applied to, terrorist or other homeland security threats and/or indicators;
- b) the protection of Critical Infrastructure; and
- c) crisis response and consequence management and mitigation for high-consequence events.

ARTICLE 3

Means of Achieving Objectives

The Parties shall seek to achieve the objectives set out in Article 2 (Objective) by means which may include, but are not limited to:

- a) facilitating a systematic exchange of technologies, personnel, and information derived from or applied to similar and complementary operational Research, Development, Testing and Evaluation;
- b) collaborating to develop technologies and prototype systems that assist in countering present and anticipated terrorist actions in their respective territories and other homeland threats that satisfy their common strategic interests and requirements;
- c) integrating or adapting the homeland security technologies of each Party to save development costs;
- d) conducting evaluation and testing of prototype homeland security technologies;

- e) developing an approach to identify shared priorities, including areas of research for Cooperative Activity;
- f) ensuring consistent and appropriate measures of effectiveness by development and implementation of appropriate standards and supporting test protocols and methodologies;
- g) involving, as appropriate, a wide range of public and private sector research and development organisations in Cooperative Activity developed pursuant to this Agreement;
- h) providing reciprocal opportunities to engage in Cooperative Activity, with shared responsibilities and contributions, which are commensurate with the Parties' or the Participants' respective resources;
- i) providing comparable access to government-sponsored or government-supported programs and facilities for visiting researchers and experts, and comparable access to and exchange of information and Equipment and Material;
- j) facilitating prompt exchange of information and Equipment and Material, which may affect Cooperative Activity, and facilitating the dissemination of information and Equipment and Material, consistent with applicable national laws, regulations, policies and directives; and
- k) utilising and applying Project Foreground Information derived from Cooperative Activity to benefit both Parties. The right to ownership and exploitation of Project Foreground Information are to be governed by the Articles of this Agreement and established in a Technology Management Plan, taking into account, among other things, the Parties' respective contributions to the Project.

ARTICLE 4

Executive Agents

1. The Under Secretary of Science and Technology of the United States Department of Homeland Security is the primary official within the Government of the United States with responsibility for executive oversight of Cooperative Activity, as defined in this Agreement, within the United States and is hereby designated as the "U.S. Executive Agent" responsible for the administration of this Agreement. The duties of the U.S. Executive Agent may be delegated to other officials within the Department of Homeland Security.
2. The Minister of Defence of the Government of the Kingdom of Sweden is the primary official within the Government of Sweden with responsibility for executive oversight of Cooperative Activity within Sweden and is hereby designated as the "Swedish Executive Agent" responsible for the administration of this Agreement. The duties of the Swedish Executive Agent may be delegated to other officials in the Swedish Ministry of Defence.
3. Prior to undertaking Cooperative Activity (including any Project) under this Agreement, the Parties shall agree in writing upon the nature, scope, and duration of the Cooperative Activity.
4. Where, because of changes in the administrative arrangements for either Party, responsibility for the oversight of this Agreement is no longer held by those currently designated as "U.S. Executive Agent" or "Swedish Executive Agent", the relevant Party shall provide the other Party

in writing with the details of its new Executive Agent without requiring amendment to this Agreement.

ARTICLE 5

Management

1. The Executive Agents shall appoint Agreement Directors who shall be responsible for the day-to-day management of this Agreement and its Cooperative Activities. In addition the Agreement Directors shall be responsible for:
 - a) promoting Cooperative Activity under this Agreement;
 - b) managing activities carried out under this Agreement and its Projects and exercising technical and financial oversight;
 - c) serving as a repository for any and all documentation which is generated pursuant to this Agreement including Project Arrangements and any annexes thereto;
 - d) monitoring the overall use and effectiveness of this Agreement;
 - e) recommending amendments to this Agreement to the Parties;
 - f) resolving issues arising under this Agreement;
 - g) authorising involvement by Participants in Cooperative Activities pursuant to this Agreement;
 - h) establishing and maintaining security guidelines, including but not limited to procedures related to exchange, storage, and transmission of information and equivalent security markings to be applied to exchanged information in accordance with Article 12 (Information Security);
 - i) ensuring that any requirements to exchange Classified Information in connection with any Project are fully identified in advance and specifically agreed to prior to the conclusion of any Project Arrangement;
 - j) developing and maintaining an outline of the Cooperative Activities and their associated costs. This outline will be known as the annual work plan and will document the work to be carried out under each Project Arrangement; and
 - k) developing and maintaining a strategic plan setting out the objectives of the Cooperative Activities being carried out at any given time and the Parties' intentions for future cooperation.

The Agreement Directors shall meet at least annually to review implementation of the Agreement and at such other times as they consider necessary to implement this Agreement. The Agreement Directors shall be responsible for coordinating with other coordination bodies established by the Parties.

ARTICLE 6

Areas of Cooperative Activity

The Parties shall facilitate Cooperative Activity in broad areas related to homeland security. Areas of Cooperative Activity include, but are not limited to:

- a) development and implementation of threat and vulnerability assessments, interdependency analyses, and methodologies related to potential threats to homeland security scenarios;
- b) assessment of prior operational experiences and evaluation for the purposes of articulating operational deficiencies into definable technical requirements and appropriate standards and supporting methodologies;
- c) integration of existing technologies for use in surveillance and detection in support of permissible homeland security activities, or in defence against terrorism and other homeland security threats;
- d) research and development of technologies and systems to meet user requirements or capability gaps and national needs;
- e) testing and evaluation of specific prototype systems for homeland security applications in both laboratory environments and real or simulated operational settings. This includes technologies associated with enhanced detection and monitoring of potential terrorist activities and those associated with recovery and reconstitution of damaged or compromised systems;
- f) preparation of detailed final test reports to allow either Party or their Participants to evaluate follow-on efforts individually or to allow the transition of successful prototypes into operational deployments;
- g) system protection (including protection of automated infrastructure control systems) and information assurance (including protecting the integrity of data and information in control systems);
- h) reciprocal education, training, and exchange of scientific and technical personnel, and exchange of Equipment and Material in science and technology areas including Research, Development, Testing and Evaluation;
- i) development and exchange of best practices, standards, and guidelines; and
- j) commercialization and other exploitation of Project Foreground Information and any resulting Equipment and Material developed through Cooperative Activity to achieve the effective transition of technology from the research and development (R&D) environment to the operational environment.

ARTICLE 7

Forms of Cooperative Activity

1. Cooperation under this Agreement may include, but is not limited to, any of the following:
 - a) coordinated research Projects and joint research Projects;
 - b) joint task forces to examine emergent homeland security challenges;
 - c) joint studies and scientific or technical demonstrations;
 - d) joint organisation of field exercises, scientific seminars, conferences, symposia, and workshops;
 - e) training of scientists and technical experts;
 - f) visits and exchanges of scientists, engineers, or other appropriate personnel;
 - g) exchanges or sharing of information and Equipment and Material;
 - h) exchange of information on practices, laws, regulations, standards, methods, and programs relevant to cooperation under this Agreement;
 - i) joint use of laboratory facilities and Equipment and Material, for conducting scientific and technological activities including Research, Development, Testing and Evaluation; and
 - j) joint management of the commercialisation and exploitation of Equipment and Material and Project Foreground Information developed through Cooperative Activity.
2. Nothing in paragraph 1 shall preclude the Parties from facilitating other forms of Cooperative Activity that they may agree upon.

ARTICLE 8

Projects

1. Cooperative Activity under this Agreement shall normally be implemented in the form of Projects to be conducted pursuant to Project Arrangements.
2. Project Arrangements shall ordinarily contain the following terms and conditions for each Project:
 - a) its nature;
 - b) its scope;
 - c) its duration;

- d) the manner in which it will be funded;
 - e) specific details of any transfer of Equipment and Material and the identity of personnel and/or organisations, if any, to be committed to the Project;
 - f) Project Background Information to be used in the Project;
 - g) any specific provisions for terminating Participant involvement;
 - h) the dispute resolution process;
 - i) whether the use of Classified Information will be required;
 - j) any safety measures to be followed, including, where appropriate, specific procedures for dealing with hazardous or dangerous material;
 - k) any applicable cost sharing provisions;
 - l) any applicable cost ceiling;
 - m) currency variation arrangements;
 - n) any necessary technical annexes;
 - o) the allocation of responsibility for any taxes, duties or other government charges which may arise;
 - p) provisions addressing the national law which shall apply to Contracts made in relation to the Project Arrangement;
 - q) a Technology Management Plan containing details concerning the sharing, allocation and protection and/or benefits derived from the creation, use or exploitation of Intellectual Property under the Project;
 - r) any other consistent terms and conditions necessary to ensure the required development of the Project.
3. The Parties shall ensure that Project Arrangements incorporate the terms of this Agreement. In the case of any inconsistency, the terms of this Agreement shall prevail.

ARTICLE 9

Participants

1. Subject to the provisions of this Article, a Party may engage a Participant to carry out work relating to Cooperative Activity on its behalf. The engagement of any Participant in the implementation of any Cooperative Activity shall require the non-sponsoring Party's prior review and written approval.

Before engaging a Participant to carry out work, a Party must enter into a Sponsorship Arrangement unless such an agreement already exists that can support Cooperative Activities pursuant to this Agreement.

The Party engaging a Participant shall ensure that the Participant agrees to:

- a) carry out any work relating to Cooperative Activity in accordance with the terms of this Agreement; and
 - b) report to that Party's Agreement Director on a periodic basis.
4. The Parties' Agreement Directors shall jointly determine the frequency and scope of the reporting requirement referred to in paragraph 3b) of this Article.
 5. In the event that a question arises with respect to a Participant and/or its activities under this Agreement, the Parties shall consult to consider the Participant's role in Cooperative Activity. If either Party objects to a Participant's continued participation and requests its termination, the Party that sponsored the Participant shall give the request sympathetic consideration, including as to the consequences of terminating the Participant's participation.
 6. Nothing in this Agreement or any Project Arrangement precludes a Party who has sponsored a Participant from suspending a Participant's activities or replacing the Participant in accordance with Paragraph 1 of this Article in one or more of its Project Arrangements.

ARTICLE 10

Contracting

The Parties shall ensure that Project Arrangements are supported by Contracts wherever possible. The Contracts may be formed between the Parties, their agents or Third Parties where appropriate.

All Contracts made pursuant to Project Arrangements shall include terms and conditions equivalent to the provisions of this Agreement, the relevant Project Arrangements, and their associated Technology Management Plans. Without limiting the foregoing each Party or its Contracting Agency shall negotiate to obtain the rights for both Parties to use and disclose Project Foreground Information as specified in Article 13 (Intellectual Property Management and Use of Information) and to obtain the rights contained in Article 14 (Publication of Research Results) unless the other Party agrees in writing that they are unnecessary in a particular case, and each Party's Contracting Agency shall insert into its Contracts, and require its subcontractors to insert in subcontracts, suitable provisions to satisfy the requirements of Article 12 (Information Security), Article 13 (Intellectual Property Management and Use of Information), Article 14 (Publication of Research Results) and Article 17 (Third Party Sales and Transfers).

The Parties recognise that their respective legislation and regulations may apply to activities undertaken in respect of Project Arrangements and supporting Contracts made under this Agreement.

ARTICLE 11

Finance

1. Subject to the availability of funds for Cooperative Activity and to the provisions of this Article, each Party shall bear its own costs of discharging its responsibilities under this Agreement and its associated Project Arrangements.
2. Except as provided in paragraph 1 of this Article, this Agreement creates no standing financial commitments.
3. The Parties may agree to share costs for Cooperative Activity. Detailed descriptions of the financial provisions for Cooperative Activity, including the total cost of the activity and each Party's cost share, shall be agreed between the Parties in Project Arrangements in accordance with paragraph 4 of this Article.
4. At the commencement of each Project, the Parties shall establish the equitable share of the total costs, including overhead costs and administrative costs. They shall also establish a cost target, a cost ceiling, and the apportionment of potential liability to be borne by each Party in the Project. In determining each Party's equitable share of total costs, the Parties may take into account:
 - a) funds provided by one Party to the other for work under this Agreement ("financial contributions");
 - b) material, personnel, use of Equipment and Material and facilities provided for the performance of work under this Agreement ("non-financial contributions") to directly support Agreement efforts. The Parties also recognize that prior work can constitute a non-financial contribution; and
 - c) the ownership of Project Background Information utilised in the Project.
5. The following costs shall be borne entirely by the Party incurring the costs and are not included in the cost target, cost ceiling, or Project costs:
 - a) costs associated with any unique national requirements identified by a Party; and/or
 - b) any costs not expressly stated as shared costs or any costs that are outside the scope of this Agreement.
6. A Party shall promptly notify the other if available funds are not adequate to undertake activities arising as a result of this Agreement. If a Party notifies the other that it is terminating or reducing its funding for a Project, both Parties shall immediately consult with a view toward continuation on a changed or reduced basis. If this is not acceptable to both Parties, the respective rights and responsibilities of the Parties under Article 12 (Information Security), Article 13 (Intellectual Property Management and Use of Information) and Article 14 (Publication of Research Results) shall continue notwithstanding the termination or expiration of the Project. A Party sponsoring a Participant shall ensure that the Participant agrees to comply with the terms of Article 12 (Information Security), Article 13 (Intellectual Property Management and Use of Information) and Article 14 (Publication of Research Results) notwithstanding the termination or expiration of the Project.

7. At the commencement of each Project, the Parties shall jointly develop a Technology Management Plan.
8. Each Party shall be responsible for any audit of its activities in support of Cooperative Activity, including the activities of any of its Participants. Each Party's audits shall be in accordance with its own national practices. For Project Arrangements where funds are transferred from one Party to the other Party, the receiving Party shall be responsible for the internal audit regarding administration of the other Party's funds in accordance with national practices. Audit reports of such funds shall be promptly made available by the receiving Party to the other.
9. The U.S. dollar shall be the reference currency for this Agreement, and the fiscal year for any Project shall be the U.S. fiscal year.

ARTICLE 12

Information Security

1. All exchanges of information and Equipment and Material, including Classified Information, between the Parties and between Parties and Participants, shall be carried out in accordance with the applicable laws and regulations of the Parties, including those relating to the unauthorised transfer or re-transfer of such information and Equipment and Material.

The transfer of technical data for the purpose of discharging the Parties' obligations with regard to interface, integration, and safety shall normally be made without restriction, except as required by national laws and regulations relating to export control or the control of classified data. If design, manufacturing, and processing data, and associated software, which is business confidential but not export controlled, is necessary for interface, integration, or safety purposes, the transfer shall be made and the data and associated software shall be appropriately marked. All activities of the Parties pursuant to this Agreement shall be carried out in accordance with their national laws and regulations, including their export control laws and regulations and those pertaining to the control of classified information.

All information, Equipment and Material subject to export controls shall not be transferred pursuant to this Agreement unless such transfers are compliant with the originating Party's export control laws, policies and regulations.

2. Classified Information:
 - a) All Classified Information provided or generated pursuant to this Agreement and any of its Project Arrangements shall be stored, handled, transmitted, and safeguarded in accordance with the principles established between the Government of the Kingdom of Sweden and the Government of the United States of America in the General Security of Military Information Agreement dated December 4 and 23, 1981. The Parties specifically agree that the policies and safeguards established in the aforesaid Agreement will apply with equal force and effect to exchanges of Classified Information under this Agreement. The Parties shall agree on any implementing security arrangements that are deemed necessary. Prior to the sharing of Classified Information, the providing Party will ensure that the information is properly marked and the receiving Party is aware of the pending transfer.
 - b) The Parties shall appoint a DSA to establish implementing security arrangements and procedures consistent with this Agreement.

- c) Each Party shall ensure that access to Classified Information is limited to those persons who possess requisite security clearances and have a specific need for access to the Classified Information in order to participate in Cooperative Activity established pursuant to this Agreement.
- d) Each Party shall ensure that it incorporates the provisions of this Article into Project Arrangements. In addition, if either Party deems it necessary, Project Arrangements shall include:
 - i) detailed provisions dealing with the prevention of unauthorised transfer or re-transfer of information and Equipment and Material; and/or
 - ii) detailed distribution and access restrictions on information and Equipment and Material.
- e) Each Party shall take all necessary lawful steps available to it to ensure that Classified Information provided or generated pursuant to this Agreement is protected from further disclosure, unless the other Party consents to such disclosure.
- f) Classified Information shall be transferred only through official government-to-government channels or through channels approved by both Parties. Such Classified Information shall be given the equivalent degree of protection in the country of receipt as it was given in the country of origin and shall be marked with a legend containing the country of origin, the conditions of release, and the fact that the information relates to this Agreement.
- g) The Parties shall according to their national laws investigate all cases in which it is known or where there are reasonable grounds for suspecting that Classified Information provided or generated pursuant to this Agreement has been lost or disclosed to unauthorised persons. Each Party shall promptly and fully inform the other of the details of any such occurrences, and of the final results of the investigation and of the corrective action taken to preclude recurrences.
- h) Unless both Parties agree in writing that it is unnecessary in a particular case, Contractors, prospective Contractors, subcontractors, or private sector Participants that are determined by either Party to be under financial, administrative, policy or management control of nationals or entities of any country which is not a Party to this Agreement may only participate in a Contract or subcontract requiring access to Classified Information that has been classified on grounds of national security if enforceable measures are in effect to ensure that the nationals or entities of that country do not have access to such Classified Information.
- i) Information or Equipment and Material provided or generated pursuant to this Agreement may not be classified any higher than the "TOP SECRET/KVALIFICERAT HEMLIG" level.

3. Controlled Unclassified Information: The nature and amount of the Controlled Unclassified Information to be acquired and disseminated pursuant to this Agreement shall be consistent with the objectives of this Agreement and the following guidelines and procedures:

- a) Controlled Unclassified Information shall be used by the receiving Party only for the purposes directly related to Cooperative Activity conducted pursuant to this Agreement;

- b) access to Controlled Unclassified Information shall be limited to those personnel of the receiving Party whose access is necessary for the permitted use under this Agreement;
- c) all necessary lawful steps shall be taken, which may include national classification where appropriate, to keep Controlled Unclassified Information free from unauthorised disclosure, including requests under any public access provisions;
- d) Controlled Unclassified Information provided under this Agreement is to be marked by the Party providing it with a legend containing the country of origin, the conditions of release, the fact that it relates to this Agreement and a statement to the effect that access to the information is controlled; and
- e) Controlled Unclassified Information provided or generated pursuant to this Agreement shall be stored, handled, and transmitted in a manner that ensures proper control. Prior to authorising the release of Controlled Unclassified Information to any Participant, the authorising Party shall ensure the Participant is legally required to control such information in accordance with the provisions of this Article.

4. Business Confidential Information:

- a) Each Party shall safeguard and protect identified Business Confidential Information that is furnished or is created pursuant to this Agreement in accordance with Annex I to this Agreement. The receiving Party shall maintain security over such items.
- b) The Parties shall ensure that any Participants are legally required to control and safeguard Business Confidential Information in accordance with this Agreement.

ARTICLE 13

Intellectual Property Management and Use of Information

- 1. General: Both Parties recognise that successful collaboration depends on full and prompt exchange of information necessary for carrying out Cooperative Activities. The Parties intend to acquire sufficient Project Background Information and/or rights to use such information to enable the development of technologies, prototype equipment, and other activities included in a Project. The nature and amount of information to be acquired and disclosed shall be consistent with this Agreement and the terms of individual Project Arrangements.
- 2. Exploitation: Issues related to the management of Project Background Information and Project Foreground Information, including the allocation of any benefits (including royalties) derived from the creation and exploitation of Intellectual Property in Project Foreground Information in respect of Cooperative Activities under this Agreement shall be governed by the Articles of this Agreement, including the provisions of Annex I, and any Technology Management Plans associated with a Project.
- 3. Government Furnished Project Background Information:
 - a) Disclosure: Unless a Project Arrangement provides otherwise, each Party shall disclose to the other Project Background Information in its possession or control, provided that:

- (i) the Project Background Information is necessary to or useful in the implementation of a proposed or existing Project established pursuant to this Agreement. The Party in possession or control of the information shall determine whether it is "necessary to" or "useful in" establishing new Projects or implementing existing ones;
 - (ii) the Project Background Information shall be made available without adversely affecting the rights of holders of Intellectual Property or Business Confidential Information; and
 - (iii) disclosure is consistent with national disclosure policies, laws, and regulations of the furnishing Party.
- b) Use: Unless a Project Arrangement provides otherwise, Government Furnished Project Background Information disclosed by one Party to the other may be used without charge by the other Party for Project Development purposes only; and the furnishing Party shall retain all its rights with respect to such Government Furnished Project Background Information. Where the use of Government Furnished Project Background Information is necessary to enable the use of Project Foreground Information, such Government Furnished Project Background Information may be used by the receiving Party for homeland security purposes, upon agreement of the Parties and in accordance with applicable laws.

4. Participant Furnished Project Background Information:

- a) Disclosure: Unless a Project Arrangement provides otherwise, Project Background Information furnished by a Participant sponsored by one Party shall be made available to the other Party provided the following conditions are met:
- (i) the Project Background Information is necessary to or useful in the Arrangement. The Party in possession or having control of the information shall determine whether it is "necessary to" or "useful in" a Project;
 - (ii) the Project Background Information may be made available without adversely affecting the rights of holders of Business Confidential Information or Intellectual Property; and
 - (iii) disclosure is consistent with national disclosure policies, laws, and regulations of the furnishing Party.
- b) Use: Project Background Information furnished by Participants may be subject to restrictions by holders of Intellectual Property. In the event that it is not subject to restrictions preventing its use, it may only be used by the Parties for Project Development purposes. If a Party wants to use Participant Furnished Project Background Information for purposes other than Project Development, (which other purposes shall include, without limitation, sales and licences to Third Parties), then the requesting Party must obtain any required licenses from the owner or owners of the rights to that information.

5. Project Foreground Information:

Project Foreground Information may be commercialised where appropriate, in which case benefits derived from the utilisation and application of such information shall be distributed according to the relative contributions of the Parties to the Project, the cost of commercialisation,

and the degree of commitment of the Parties to obtaining legal protection of Intellectual Property, as determined in a Technology Management Plan.

Each of the Parties may own its Intellectual Property in Project Foreground Information in its own jurisdiction and in the jurisdiction of the other Party and may derive benefits from its exploitation and commercialisation in those jurisdictions, with a mechanism for their establishment in a Technology Management Plan.

ARTICLE 14

Publication of Research Results

1. The Parties agree that the provisions of paragraph A of Section III of Annex I to this Agreement shall apply to the publication of any research results created under this Agreement.
2. Publication Review: The Parties agree that publication of the results may be one of the goals of this Agreement, to stimulate further research in the public or private sector. In order to protect the rights of the Parties, including to avoid prejudice to the holders of Intellectual Property and Business Confidential Information, each Party shall transmit to the other for its review any material containing such results and intended for publication, or other disclosure, at least sixty (60) working days before such material is submitted to any editor, publisher, referee or meeting organiser, or is otherwise disclosed. In the absence of an objection by the other Party within that sixty-day period the publication or other disclosure may proceed. If either Party raises an objection to the public release of publications arising from this Agreement, public release will not occur unless and until there is agreement between the Parties as to the conditions for public release. It is the responsibility of each Party to coordinate with its sponsored Participants who work under a Project Arrangement to determine whether all potential Intellectual Property or Business Confidential Information interests have been properly considered.
3. Affiliation: The sponsorship and financial support of the Parties for Cooperative Activity shall not be used in any public statement of a promotional nature or used for commercial purposes without the express written permission of both Parties.
4. Publicity and Acknowledgements: All publications relating to the results of the Projects established pursuant to this Agreement shall include as applicable a notice indicating that the underlying investigation received financial support from the Government of the United States and/or the Government of Sweden. Two copies of such publications shall be sent to the Agreement Directors by the individual or entity that is the author of the publications.

ARTICLE 15

Entry of Personnel and Equipment and Material

1. With respect to Cooperative Activity under this Agreement, each Party, in accordance with its national laws and regulations, and as appropriate, shall facilitate:

- a) prompt and efficient entry into and exit from its territory of appropriate Equipment and Material, to especially include instrumentation, test equipment and Project Background and Foreground Information;
 - b) prompt and efficient entry into and exit from its territory, and domestic travel and work of, persons participating on behalf of the Parties or Participants in the implementation of this Agreement;
 - c) prompt and efficient access, as appropriate, to relevant geographical areas, information, Equipment and Material and institutions, for persons participating on behalf of the Parties, or Participants, in the implementation of this Agreement; and
 - d) mutual logistic support.
2. Customs duties, import and export taxes, and similar charges shall be administered in accordance with each Party's respective laws and regulations. Insofar as existing laws and regulations permit, each Party shall use its best efforts to ensure that readily identifiable duties, taxes and similar charges, as well as quantitative or other restrictions on imports and exports, are not imposed in connection with Projects carried out under this Agreement.

ARTICLE 16

Research Safety

1. The Parties shall establish and implement policies and practices to ensure and provide for the safety of their employees, the public, and the environment during the conduct of Cooperative Activities subject to applicable national laws and regulations. If any Cooperative Activity involves the use of dangerous or hazardous materials, the Parties shall establish and implement an appropriate safety plan.
2. Without prejudice to any existing arrangements under the Parties' national laws, the Parties shall take appropriate steps to protect the welfare of any subjects involved in Cooperative Activities. Such steps may include the provision of medical treatment and, where appropriate, financial relief.

ARTICLE 17

Third Party Sales and Transfers

Neither Party shall:

- a) sell, transfer title to, disclose, or transfer possession of Project Foreground Information, or equipment incorporating Foreground Information, to a Third Party without the prior written consent of the other Party; or
- b) permit any such sale, disclosure, or transfer by others, including by the owner of the item, without the prior written consent of the other Party. Such sales and transfers shall be consistent with Article 13 (Intellectual Property Management and Use of Information).

2. For the purposes of this Article States, Territories, Protectorates and other domestic government entities are not considered to be Third Parties.

ARTICLE 18

Dispute Resolution

1. Except for disputes concerning Intellectual Property and those procedures set forth in Article 14 (Publication of Research Results), all questions or disputes between the Parties that cannot be resolved by the Agreement Directors arising under or relating to this Agreement shall be submitted to the Executive Agents. Such questions and disputes shall be resolved only by consultation between the Parties and shall not be referred to a national court, an international tribunal, or to any other person or entity for resolution.
2. Resolution of disputes concerning Intellectual Property, shall be resolved as provided for in Annex I.
3. Each Party shall ensure that any Sponsorship Arrangement that it enters into with a Participant includes provisions for dispute resolution consistent with paragraphs 1 and 2.

ARTICLE 19

Status of Annex

Annex I forms an integral part of this Agreement and, unless expressly provided otherwise, a reference to this Agreement includes a reference to Annex I.

ARTICLE 20

Entry into Force, Duration, Amendment, and Termination

1. This Agreement shall enter into force upon signature by both Parties
2. The Agreement may be amended in writing by the mutual consent of the Parties. This Agreement shall remain in force until terminated in writing by either Party, with such termination taking effect six months from the date of the written notice of termination.
3. This Agreement may also be terminated by the mutual written agreement of the Parties.
4. Unless otherwise agreed, termination of this Agreement shall not affect the validity or duration of any Cooperative Activity previously undertaken pursuant to it.
5. The respective rights and responsibilities of the Parties under Article 12 (Information Security), Article 13 (Intellectual Property Management and Use and Information), Article 14 (Publication of Research Results), Article 17 (Third Party Sales and Transfers), Article 18 (Dispute Resolution) and Annex I shall continue notwithstanding the termination or expiry of this Agreement. A Party sponsoring a Participant shall ensure that the Participant agrees to comply


with the terms of Article 12 (Information Security), Article 13 (Intellectual Property Management and Use of Information), Article 14 (Publication of Research Results), Article 17 (Third Party Sales and Transfers), Article 18 (Dispute Resolution) and Annex I notwithstanding the termination or expiration of this Agreement.

6. In particular, all Classified Information exchanged or generated under this Agreement shall continue to be protected in the event of the termination or expiration of the Agreement.

IN WITNESS WHEREOF, the undersigned, duly authorised by their respective Governments, have signed this Agreement.

DONE at Washington, D.C., in duplicate, on this 13th day of April 2007.

**FOR THE GOVERNMENT OF
THE UNITED STATES OF AMERICA:**



**FOR THE GOVERNMENT OF
THE KINGDOM OF SWEDEN:**



ANNEX I

Intellectual Property Rights

I. General Obligation

The Parties shall ensure adequate and effective protection of intellectual property created or furnished under this Agreement and relevant implementing arrangements. Rights to such intellectual property shall be allocated as provided in this Annex.

II. Scope

- A. This Annex is applicable to all Cooperative Activities undertaken pursuant to this Agreement, except as otherwise specifically agreed by the Parties or their designees.
- B. Each Party shall ensure, through contracts or other legal means with its own participants, if necessary, that the other Party can obtain the rights to Intellectual Property allocated in accordance with this Annex. This Annex does not otherwise alter or prejudice the allocation of Intellectual Property between a Party and its employees and/or its contractors, which shall be determined by that Party's laws and practices.
- C. Except as otherwise provided in this Agreement, disputes concerning Intellectual Property arising under this Agreement shall be resolved through discussions between the concerned participants or, if necessary, the Parties or their designees. Upon mutual agreement of the Parties, a dispute shall be submitted to an arbitral tribunal for binding arbitration in accordance with the applicable rules of international law. Unless the Parties or their designees agree otherwise in writing, the arbitration rules of UNCITRAL shall govern.
- D. Termination or expiration of this Agreement shall not affect rights or obligations under this Annex.

III. Allocation of Rights

- A. Each Party shall be entitled to a non-exclusive, irrevocable, royalty-free license in all countries to translate, reproduce, and publicly distribute scientific and technical journal articles, reports, and books directly arising from cooperation under this Agreement. All publicly distributed copies of a copyrighted work prepared under this provision shall indicate the names of the authors of the work unless an author explicitly declines to be named.
- B. Rights to all forms of Intellectual Property, other than those rights described in paragraph IIIA above, shall be allocated as follows:

- (1) Visiting researchers shall receive, for any intellectual property they create, rights, awards, bonuses and royalties in accordance with the policies of the host institution.
- (2) (a) Unless otherwise agreed in a Project Arrangement or other arrangement, the Parties or their Participants shall jointly develop provisions of a Technology Management Plan regarding ownership and exploitation rights to Intellectual Property created in the course of the Cooperative Activities other than those covered by paragraph III (B) (1) of this Annex. The Technology Management Plan shall consider the relative contributions of the Parties, Participants and Contractors to the Cooperative Activities, the degree of commitment in obtaining legal protection and licensing of the Intellectual Property, and such other factors as are deemed appropriate.

(b) If the Parties or their Participants do not agree on provisions of a Technology Management Plan under subparagraph (a) within a reasonable time, not to exceed six months from the time a Party becomes aware of the creation of Intellectual Property created in the course of the Cooperative Activities, the Parties or their Participants shall resolve the matter in accordance with the provisions of paragraph II (C) of this Annex. Pending resolution of the matter, any Intellectual Property created by persons employed or sponsored by one Party under Cooperative Activities shall be owned by that Party and Intellectual Property created by persons employed or sponsored by both Parties shall be jointly owned by the Parties, but such Intellectual Property shall be commercially exploited only by mutual agreement.

(c) Notwithstanding paragraphs III B(2)(a) and (b) above, if either Party believes that a particular project may lead to or has led to the creation of Intellectual Property not protected by the laws of the other Party, the Parties shall immediately hold discussions to determine the allocation of rights to the Intellectual Property. If an agreement cannot be reached within three months of the date of the initiation of the discussions, cooperation on the Project in question shall be terminated at the request of either Party. Creators of Intellectual Property shall nonetheless be entitled to awards, bonuses and royalties in accordance with the policies of the institution employing or sponsoring that person.

(d) For each invention made under any Cooperative Activity, the Party employing or sponsoring the inventor(s) shall disclose the invention promptly to the other Party together with any documentation and information necessary to enable the other Party to establish any rights to which it may be entitled. Either Party may ask the other Party in writing to delay publication or public disclosure of such documentation or information for the purpose of protecting its rights in the invention. Unless otherwise agreed in writing, the delay shall not exceed a period of six months from the date of disclosure by the inventing Party to the other Party.

IV. Business Confidential Information

In the event that information identified in a timely fashion as business-confidential is furnished or created under this Agreement, each Party and its participants shall protect such information in accordance with applicable laws, regulations, and administrative practices. Information may be identified as "business-confidential" if a person having the information may derive an economic benefit from it or may obtain a competitive advantage over those who do not have it, and the information is not generally known or publicly available from other sources, and the owner has not

previously made the information available without imposing in a timely manner an obligation to keep it confidential.

The receiving Party may not disclose any Business Confidential Information provided to it by the other Party except to appropriate employees and government personnel. If expressly agreed between the Parties, Business Confidential Information may be disclosed by the receiving Party to contractors and sub-contractors. Such disclosures shall be for the use only within the scope of their contracts with their respective Party relating to cooperation under this Agreement. The Parties shall impose, or shall have imposed, an obligation on those receiving such information to keep it confidential. If a Party becomes aware that, under the laws or regulations applicable to it, it will be, or may reasonably expect to become, unable to meet the non-disclosure provisions, it shall immediately inform the other Party. The Parties shall thereafter agree on an appropriate course of action.