

<b>AWARD/CONTRACT</b>		1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350)		RATING DO C9	PPC HS	PAGE <b>1 OF 161</b>	
2. CONTRACT NO. <b>NNM07AA70C</b>		3. EFFECTIVE DATE <b>04/01/2007</b>		4. REQUISITION/PURCHASE REQUEST/PROJECT NO. <b>4200169943</b>			
5. ISSUED BY Procurement Office National Aeronautics and Space Administration George C. Marshall Space Flight Center Marshall Space Flight Center, AL 35812		CODE <b>MGC/PS33</b>	6. ADMINISTERED BY (If other than Item 5) NASA/Marshall Space Flight Center Attn: PS33/Rhoney Triplett Marshall Space Flight Center, AL 35812 (256) 544-4096 or (256) 961-2095				
7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, country, State and ZIP Code) Schafer Corporation Attn: William Marx 5030 Bradford Drive, Suite #205 Huntsville, AL 35805				8. DELIVERY <input type="checkbox"/> FOB ORIGIN <input checked="" type="checkbox"/> OTHER (See below)			
CAGE CODE: 8F406				VENDOR CODE: 100495		IN: <b>ITEM 12</b>	
11. SHIP TO/MARK FOR Central Receiving, Building 4471 National Aeronautics and Space Administration George C. Marshall Space Flight Center Marshall Space Flight Center, AL 35812 Attn: Tiffani Danner/CS01		CODE	12. PAYMENT WILL BE MADE BY MSFC Accounting Operations Office Marshall Space Flight Center, AL 35812  Automated Invoice Payment Information: (256) 544-5566				
13. AUTHORITY FOR USING OTHER THAN FULL & 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				
15A. ITEM NO.	15B. SUPPLIES/SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT		
	<b>OSAC Support Services as identified in B.1</b>						
15G. TOTAL AMOUNT OF CONTRACT							
<b>16. TABLE OF CONTENTS</b>							
(X)	.SEC.	DESCRIPTION	PAGE(S)	(X)	SEC.	DESCRIPTION	PAGE(S)
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<input checked="" type="checkbox"/>	B	SUPPLIES OR SERVICES AND PRICES/COSTS	8	PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH.			
<input checked="" type="checkbox"/>	C	DESCRIPTION/SPECS./WORK STATEMENT	1	<input checked="" type="checkbox"/>	J	LIST OF ATTACHMENTS	110
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<input checked="" type="checkbox"/>	H	SPECIAL CONTRACT REQUIREMENTS	11	<input type="checkbox"/>	M	EVALUATION FACTORS FOR AWARD	
<i>CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE</i>							
17. <input checked="" type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 3 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 continuation 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.			
19A. NAME AND TITLE OF SIGNER (Type or print) <b>John E. Kellner, Treasurer</b>				20A. NAME OF CONTRACTING OFFICER (Type or print) <b>David A. Iosco</b>			
19B. NAME OF CONTRACTOR BY <u>/original signed by/</u> (Signature of person authorized to sign)		19C. DATE SIGNED <b>02/28/2007</b>		20B. UNITED STATES OF AMERICA BY <u>/original signed by/</u> (Signature of Contracting Officer)		20C. DATE SIGNED <b>03/20/2007</b>	

"Accounting and Appropriation Data"

Purchase Requisition No.	WBS Element	Funds	Cost Center	Amount
4200195223	329231.01.06.08	ESAX22006D	62CS20	\$ 506,432
4200193813	292487.08.08.01	ESAX22007D	62CS01	\$ 91,773
4200193813	292487.08.08.01	ESAX22007D	62CS10	\$ 202,000
4200193813	292487.04.08	ESAX22007D	62CS20	\$ 319,500
4200193813	292487.04.08	ESAX22007D	62CS30	\$ 364,720
4200193813	292487. 04.08.02	ESAX22007D	62CS30	\$ 75,000
<b>Total Funding</b>				<b>\$1,559,425</b>

**PART I - THE SCHEDULE**

**SECTION B - SUPPLIES OR SERVICES AND PRICE/COSTS**

**B.1 SUPPLIES AND/OR SERVICES TO BE FURNISHED**

(a) The Contractor shall provide all resources (except as may be expressly stated in this contract as furnished by the Government) necessary to furnish the services delineated in the Performance Work Statement (PWS) in Attachment J-1, entitled: "Office of Strategic Analysis and Communication (OSAC) Support Services."

(b) The services will be procured under two separate portions, Mission Services (MS) and Indefinite Delivery/Indefinite Quantity (IDIQ). The requirement is being procured on a cost-plus-incentive-fee basis (see Attachments J-2 and J-3). The contract and supporting data are organized as shown below:

(1) The Mission Services portion covers work identified in 3.0 – 6.0 of the PWS (Attachment J-4, Work Breakdown Structure, WBS). Project management and administrative resources necessary to manage both the Mission and the IDIQ contract portions are costed in the Mission Services.

(2) IDIQ task orders will be used to procure those services identified in WBS 7.0 of the PWS that cannot be predetermined or quantified in advance.

(End of Clause)

**B.2 ESTIMATED COST AND FEES**

(a) The total estimated cost of this contract is \$ [See Table B-1 below]. The total target cost incentive fee for this contract is \$ [See Table B-1 below]. The total maximum performance incentive fee for this contract is \$ [See Table B-1 below].

(b) The total target cost of this contract for determining cost incentive fee (IF) earned is specified in Clause B.4.

(c) Table B-1 reflects the contract values of individual contract line items (CLINs) and is set forth below:

**TABLE B-1, ESTIMATED COST AND INCENTIVE FEES (IF)**

CLIN	DESCRIPTION	PERIOD COVERED	ESTIMATED COST	TARGET COST	TARGET COST IF	MAXIMUM COST IF	MAXIMUM PERFORMANCE IF	COST IF EARNED	PERFORMANCE IF EARNED	TOTAL VALUE
1.	Mission Services, Base Year (BY)	4-01-07 through 3-31-08	\$ 6,523,310	\$ 4,950,560	\$ 86,635	\$ 129,952	\$ 259,904	TBD	TBD	\$ 6,869,949
1.a. (See Table B-3)	IDIQ Summation of Task Order Values (BY)	4-01-07 through 3-31-08	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

(d) If the Government exercises any of its Options pursuant to the terms of the contract, the estimated costs and fees for each Mission Services CLIN shall be as set forth in Table B-2 below.

**TABLE B-2, MISSION SERVICES – OPTION VALUES**

CLIN	DESCRIPTION	PERIOD COVERED	ESTIMATED COST	TARGET COST	TARGET COST IF	TARGET COST	MAXIMUM COST IF	MAXIMUM PERFORMANCE IF	TOTAL VALUE
2.	Option I, Mission Services	4-01-08 through 3-31-09	\$6,587,278	\$5,014,528	\$87,754	\$131,631	\$263,263	\$6,938,295	
3.	Option II, Mission Services	4-01-09 through 3-31-10	\$6,750,181	\$5,177,431	\$90,605	\$135,908	\$271,815	\$7,112,601	
4.	Option III, Mission Services	4-01-10 through 3-31-11	\$6,882,981	\$5,310,231	\$92,929	\$139,394	\$278,787	\$7,254,697	
5.	Option IV, Mission Services	4-01-11 through 3-31-12	\$7,044,730	\$5,471,980	\$95,760	\$143,640	\$287,279	\$7,427,769	

(End of Clause)

**B.3 INDEFINITE DELIVERY/INDEFINITE QUANTITY (IDIQ)**

(a) The IDIQ portion of this contract is only applicable to the work described in Attachment J-1, PWS 7.0, Indefinite Delivery/Indefinite Quantity (IDIQ). This work will be authorized via task orders (TO) issued by the Contracting Officer (CO) in accordance with Clauses H.2 and H.3.

(b) This clause establishes the minimum and maximum quantity values including cost and performance incentive fees for each IDIQ CLIN of the contract as set forth in Table B-3 below.

TABLE B-3 IDIQ MINIMUM AND MAXIMUM VALUES

IDIQ CLIN	CONTRACT PERIOD	MINIMUM QUANTITY	MAXIMUM QUANTITY
1.a.	Base (Year 1)	\$0.00	\$1,250,000
2.a.	Option 1 (Year 2)	\$0.00	\$2,250,000
3.a.	Option 2 (Year 3)	\$0.00	\$4,000,000
4.a.	Option 3 (Year 4)	\$0.00	\$4,000,000
5.a.	Option 4 (Year 5)	\$0.00	\$4,500,000

(c) Government task orders for services specified above the minimum and below the maximum shall not constitute a basis for equitable adjustments to the Mission Services CLINs.

(d) The establishment of this IDIQ portion of the contract does not inhibit the Government's right to later award separate contracts for similar or related services.

(e) The actual estimated cost and fee values of the individual CLINs will be the summation of the individual task orders values issued pursuant to this Clause and Clauses H.2 and H.3. A reconciling unilateral modification to the contract will be periodically issued that reflects the current task order summation value in Clause B.2.

(End of Clause)

**B.4 COST AND PERFORMANCE INCENTIVE FEE**

(a) There are two (2) separate incentive fee pools for cost and performance that will be used to determine incentive fee earned and paid to the contractor for performance of the contract.

Note to Prospective Offerors: The Government expects that of the total fee proposed, 25 percent will be allocated by the Offeror to the cost incentive fee and 75 percent will be allocated to the performance incentive fee.

(b) Cost Incentive Fee:

(1) The target cost, target cost incentive fee, and maximum cost incentive fee applicable to each Mission Services CLIN are set forth in tables B-1 and B-2. Attachment J-5 sets forth the IDIQ target and maximum fee rates for each IDIQ CLIN. The minimum cost incentive fee for each CLIN shall be \$0.00.

(2) For the Mission Services CLINs, the target cost for the purposes of determining the cost incentive fee earned and paid in accordance with this Clause and Clause B.5, Incentive Fee, shall be the total estimated cost less the estimated direct cost for purchased materials,

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supplies, equipment, and travel and associated handling charge (see Table B-4 below). The target cost for the IDIQ CLINs shall be the summation of the target costs of the current task orders.

Table B-4, TARGET COST

CLIN	ESTIMATED COST	LESS ESTIMATED DIRECT COST for Materials, Supplies, Equipment & Travel and Handling Charge	TARGET COST
1	\$ 6,523,310	\$ 1,500,000.00 + \$ 72,750	\$ 4,950,560
2	\$ 6,587,278	\$ 1,500,000.00 + \$ 72,750	\$ 5,014,528
3	\$ 6,750,181	\$ 1,500,000.00 + \$ 72,750	\$ 5,177,431
4	\$ 6,882,981	\$ 1,500,000.00 + \$ 72,750	\$ 5,310,231
5	\$ 7,044,730	\$ 1,500,000.00 + \$ 72,750	\$ 5,471,980

(3) For the Mission Services CLINS, the actual allowable costs for determining cost incentive fee earned and payment in accordance with Clause B.5, Incentive Fee, shall be reduced by the actual direct costs for materials, supplies, equipment & travel and associated handling charge.

(4) Clause B.5 is only applicable to the cost incentive fee pool of the contract and not the performance incentive fee pool. The supplemental definitions of target cost and actual cost provided in this Clause are in addition to and take precedence over the definitions provided in Clause B.5. (See paragraph (e) (5) of Clause B.5.)

(5) The share ratio for target cost underruns is 80/20 (Government/Contractor). The share ratio for target cost overruns is 70/30 (Government/Contractor).

(6) The Contractor must earn at least 85% of the performance incentive fee for a CLIN to earn any cost incentive fee above the target cost incentive fee (for underruns) for that CLIN.

(7) The cost incentive fee will be evaluated at the end of each contract year.

(c) Performance Incentive Fee:

(1) The Contractor may earn performance incentive fee from a minimum of zero dollars to the maximum stated in Clause B.2 of this contract.

(2) The Contractor's performance will be evaluated as described in Attachments J-2 and J-3 of this contract. Semi-annual performance scores earned will be averaged to determine an annual amount of performance incentive fee earned for each CLIN. Performance incentive fee for a CLIN that is not earned cannot be reallocated to future evaluation periods.

(3) The Government will advise the Contractor in writing of the performance evaluation results and the amount of performance incentive fee earned which will be incorporated in the contract by unilateral modification.

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### (4) Provisional Performance Incentive Fee Payments:

(i) Provisional performance incentive fee payments, pending the determination of the amount of performance incentive fee earned, will be paid to the Contractor on a monthly basis. The total amount of performance incentive fee available for provisional payment for each CLIN will be the lesser of 75 percent of the maximum performance incentive fee or the prior performance incentive fee evaluation score.

(ii) Provisional performance incentive fee payments for each CLIN will be superceded by the final performance incentive fee evaluation score for that CLIN. If provisional payments exceed the final score, the Contractor will either credit the next payment voucher for the amount of such overpayment or refund the difference to the Government, as directed by the Contracting Officer.

(iii) If the Contracting Officer determines that the Contractor will not achieve a level of performance commensurate with the provisional rate, payment of provisional performance incentive fee may be discontinued, or reduced in amount, as the Contracting Officer deems appropriate. The Contracting Officer will notify the Contractor in writing if it is determined that such discontinuance or reduction is appropriate.

(5) After 85 percent of the potential performance incentive fee has been paid, the Contracting Officer may direct withholding of further payment of performance incentive fee until a reserve is set aside in an amount that the Contracting Officer determines necessary to protect the Government's interest. This reserve shall not exceed 15 percent of the total maximum performance incentive fee for an individual CLIN.

### **B.5 INCENTIVE FEE (FAR 52.216-10) (MAR 1997)**

(a) *General.* The Government shall pay the Contractor for performing this contract a fee determined as provided in this contract.

(b) *Target cost and target fee.* The target cost and target fee specified in the Schedule are subject to adjustment if the contract is modified in accordance with paragraph (d) of this clause.

(1) "Target cost," as used in this contract, means the estimated cost of this contract as initially negotiated, adjusted in accordance with paragraph (d) of this clause.

(2) "Target fee," as used in this contract, means the fee initially negotiated on the assumption that this contract would be performed for a cost equal to the estimated cost initially negotiated, adjusted in accordance with paragraph (d) of this clause.

(c) *Withholding of payment.* Normally, the Government shall pay the fee to the Contractor as specified in the Schedule. However, when the Contracting Officer considers that performance or cost indicates that the Contractor will not achieve target, the Government shall pay on the basis of an appropriate lesser fee. When the Contractor demonstrates that performance or cost clearly indicates that the Contractor will earn a fee significantly above the target fee, the Government may, at the sole discretion of the Contracting Officer, pay on the basis of an appropriate higher fee. After payment of 85 percent of the applicable fee, the Contracting Officer may withhold further payment of fee until a reserve is set aside in an amount that the Contracting Officer considers necessary to protect the Government's interest. This reserve shall not exceed 15

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percent of the applicable fee or \$100,000, whichever is less. The Contracting Officer shall release 75 percent of all fee withholds under this contract after receipt of the certified final indirect cost rate proposal covering the year of physical completion of this contract, provided the Contractor has satisfied all other contract terms and conditions, including the submission of the final patent and royalty reports, and is not delinquent in submitting final vouchers on prior years' settlements. The Contracting Officer may release up to 90 percent of the fee withholds under this contract based on the Contractor's past performance related to the submission and settlement of final indirect cost rate proposals.

(d) *Equitable adjustments.* When the work under this contract is increased or decreased by a modification to this contract or when any equitable adjustment in the target cost is authorized under any other clause, equitable adjustments in the target cost, target fee, minimum fee, and maximum fee, as appropriate, shall be stated in a supplemental agreement to this contract.

(e) *Fee payable.*

(1) The fee payable under this contract shall be the target fee increased by 20 cents for every dollar that the total allowable cost is less than the target cost or decreased by 30 cents for every dollar that the total allowable cost exceeds the target cost. In no event shall the fee be greater than see Tables B-2, B-3, and B-4, or less than 0 percent of the target cost.

(2) The fee shall be subject to adjustment, to the extent provided in paragraph (d) of this clause, and within the minimum and maximum fee limitations in paragraph (e)(1) of this clause, when the total allowable cost is increased or decreased as a consequence of—

(i) Payments made under assignments; or

(ii) Claims excepted from the release as required by paragraph (h) (2) of the Allowable Cost and Payment Clause.

(3) If this contract is terminated in its entirety, the portion of the target fee payable shall not be subject to an increase or decrease as provided in this paragraph. The termination shall be accomplished in accordance with other applicable clauses of this contract.

(4) For the purpose of fee adjustment, "total allowable cost" shall not include allowable costs arising out of—

(i) Any of the causes covered by the Excusable Delays clause to the extent that they are beyond the control and without the fault or negligence of the Contractor or any subcontractor;

(ii) The taking effect, after negotiating the target cost, of a statute, court decision, written ruling, or regulation that results in the Contractor's being required to pay or bear the burden of any tax or duty or rate increase in a tax or duty;

(iii) Any direct cost attributed to the Contractor's involvement in litigation as required by the Contracting Officer pursuant to a clause of this contract, including furnishing evidence and information requested pursuant to the Notice and Assistance Regarding Patent and Copyright Infringement clause;

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(iv) The purchase and maintenance of additional insurance not in the target cost and required by the Contracting Officer, or claims for reimbursement for liabilities to third persons pursuant to the Insurance Liability to Third Persons clause;

(v) Any claim, loss, or damage resulting from a risk for which the Contractor has been relieved of liability by the Government Property clause; or

(vi) Any claim, loss, or damage resulting from a risk defined in the contract as unusually hazardous or as a nuclear risk and against which the Government has expressly agreed to indemnify the Contractor.

(5) All other allowable costs are included in "total allowable cost" for fee adjustment in accordance with this paragraph (e), unless otherwise specifically provided in this contract.

(f) *Contract modification.* The total allowable cost and the adjusted fee determined as provided in this clause shall be evidenced by a modification to this contract signed by the Contractor and the Contracting Officer.

(g) *Inconsistencies.* In the event of any language inconsistencies between this clause and the provisioning documents or Government options under this contract, compensation for spare parts or other supplies and services ordered under such documents shall be determined in accordance with this clause.

(End of clause)

**B.6 CONTRACT FUNDING (NFS 1852.232-81) (JUN 1990)**

(a) For purposes of payment of cost, exclusive of fee, in accordance with the Limitation of Funds clause, the total amount allocated by the Government to this contract is \$1,450,265. This allotment is for the Office of Strategic Analysis and Communications Support Services effort described in Attachment J-1, Performance Work Statement, and covers the following estimated period of performance: April 01, 2007 – June 22, 2007.

(b) An additional amount of \$ 109,160 is obligated under this contract for payment of fee.

	PREVIOUS	THIS ACTION	TOTAL
Mission Estimated Cost	0	\$1,450,265	\$1,450,265
IDIQ Estimated Cost	0	0	0
Provisional Cost Incentive Fee	0	\$ 27,290	\$ 27,290
Provisional Performance Incentive Fee	0	\$ 81,870	\$ 81,870
Total Sum Allotted	0		\$1,559,425

**B.7 ALLOWABLE ITEMS OF COST**

(a) In accordance with the advance agreement between the Government and the Contractor for this contract, allowable costs for the items listed below are subject to the General and Administrative (G&A) Rate Ceiling:

Period Of Performance	G&A Ceiling*
Base Year	
Option Year 1	
Option Year 2	(b)(4)
Option Year 3	
Option Year 4	

\*G&A Ceiling shall apply to both the Mission and IDIQ portions of the contract.

(b) It is mutually agreed that when indirect cost rate ceilings are specified in paragraph (a) above, the following conditions shall apply: (1) the Government shall not be obligated to pay any additional amount should the final indirect cost rates exceed the negotiated ceiling rates, and (2) in the event the final indirect cost rates are less than the negotiated ceiling rates, the negotiated rates shall be reduced to conform with the lower rates.

(c) In accordance with an advance agreement between the Government and the Contractor, material handling overhead shall be the only burden applied to the cost reimbursable other direct cost of materials, supplies, equipment, and travel as referenced in PWS, J-1. Neither G&A nor fee shall be applied to the procurement of materials, supplies, equipment or travel and associated handling charge. Table B-4, of Clause B.4, contains the Government estimates for materials, supplies, equipment, and travel.

(End of Clause)

**[END OF SECTION]**

**[END OF SECTION]**

(End of clause)

- Supervision of Government employees.
  - Clerical and other administration-type functions required to be performed by civil service personnel; and
  - Direction or supervision of other Government Contractors or Government agencies, or otherwise acting as an agent to obligate or commit MSFC in any capacity;
  - Government purchasing (except training related purchasing), contracting, contract administration, and/or performance, and pay and accounting;
  - MSFC management planning, programming (including preparation of scopes of work and/or procurement requests for items to be contracted for by MSFC), budgeting, review, and analysis;
  - Technical management of Government contracts;
  - Program or project management;
  - Policy making or management of MSFC operations;
- responsibilities that cannot be provided by the Contractor for the Government:  
 be null and void. The following activities are representative of the excluded functions and  
 issued under this contract involving such MSFC management functions and responsibilities shall  
 Directorate are expressly excluded from this contract. Any instructions, directives, or orders  
 Functions and responsibilities directly involved or associated with the management of any MSFC

**C.2 EXCLUDED FUNCTIONS AND RESPONSIBILITIES**

(End of Clause)

The Description/Specifications/Performance Work Statement is Attachment J-1.

**C.1 DESCRIPTION/SPECIFICATIONS/PERFORMANCE WORK STATEMENT (MSFC 52.211-93) (FEB 2001)**

**SECTION C - DESCRIPTION/SPECIFICATION/WORK STATEMENT**

**SECTION D - PACKAGING AND MARKING**

**D.1 LISTING OF CLAUSES INCORPORATED BY REFERENCE**

NOTICE: The following contract clauses pertinent to this section are hereby incorporated by reference:

I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1)

<u>Clause Number</u>	<u>Title</u>	<u>Date</u>
None included by reference.		

II. NASA FAR SUPPLEMENT (48 CFR CHAPTER 18) CLAUSES

<u>Clause Number</u>	<u>Title</u>	<u>Date</u>
1852.211-70	Packaging, Handling, and Transportation	(Sep 2005)

(End of Clause)

**[END OF SECTION]**

**SECTION E - INSPECTION AND ACCEPTANCE**

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

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

<u>Clause Number</u>	<u>Title</u>	<u>Date</u>
52.246-3	Inspection of Supplies – Cost Reimbursement	(MAY 2001)
52.246-5	Inspection of Services – Cost Reimbursement	(APR 1984)

**II. NASA FAR SUPPLEMENT (48 CFR CHAPTER 18) CLAUSES**

<u>Clause Number</u>	<u>Title</u>	<u>Date</u>
None included by reference.		

(End of Clause)

**E.2 GOVERNMENT CONTRACT QUALITY ASSURANCE FUNCTIONS (NFS 1852.246-71) (OCT 1988)**

In accordance with the inspection clause of this contract, the Government intends to perform the following functions at the locations indicated:

<u>Item</u>	<u>Quality Assurance Function</u>	<u>Location</u>
All	Final Inspection & Acceptance	

(End of Clause)

**E.3 HIGHER-LEVEL CONTRACT QUALITY REQUIREMENT (FAR 52.246-11) (FEB 1999)**

The Contractor shall comply with the higher-level quality standard below.

<u>Title</u>	<u>Number</u>	<u>Date</u>
Marshall Management Manual	MPD 1280.1	Latest issue

(End of Clause)

**E.4 CHANGES TO HIGHER-LEVEL CONTRACT QUALITY REQUIREMENTS**

It is mutually agreed and understood that the Government may unilaterally update Clause E.3 with future versions and require full compliance to the latest requirements. Such action shall not give rise to an equitable adjustment to the estimated contract value, including both cost and performance/incentive fees, or any other expressed terms and conditions of this contract.

(End of Clause)

**E.5 CONTRACTOR'S TECHNICAL PROGRESS REPORTS**

Each instance where the Contractor is found to be inaccurate in the Contractor's self-evaluation reports shall be resolved in accordance with Attachment J-3, Surveillance and Cost Plus Incentive Fee Plan, paragraph 5.0, "Audit Reporting Integrity."

(End of clause)

**[END OF SECTION]**

SECTION F - DELIVERIES OR PERFORMANCE

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

I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1)

<u>Clause Number</u>	<u>Title</u>	<u>Date</u>
52.242-15	Stop-Work Order (Alternate I)	APR 1984
52.247-34	F.O.B. Destination	NOV 1991

II. NASA FAR SUPPLEMENT (48 CFR CHAPTER 18) CLAUSES

<u>Clause Number</u>	<u>Title</u>	<u>Date</u>
None included by reference.		

(End of Clause)

**F.2 OPTION TO EXTEND THE TERM OF THE CONTRACT (FAR 52.217-9)(MAR 2000)**

(a) The Government may extend the term of this contract by written notice to the Contractor prior to the expiration of the current period of performance provided that the Government shall give the Contractor a preliminary written notice of its intent to extend at least 30 days before the contract expires. The preliminary notice does not commit the Government to an extension.

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

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

(End of Clause)

**F.3 PLACE OF PERFORMANCE MSFC (52.237-91)(FEB 2001)**

The Contractor shall perform the work under this contract at Marshall Space Flight Center, AL, and at such other locations as may be approved in writing by the Contracting Officer.

(End of Clause)

**F.4 PERIOD OF PERFORMANCE**

(a) The period of performance of this contract shall be April 1, 2007, through March 31, 2008. If applicable, the contract phase-in period shall be from March 13, 2007, through March 31, 2007.

(b) In the event the Government elects to exercise its option(s) pursuant to the terms of this contract, the period of performance for each option shall be as set forth below:

<u>Contract Periods</u>	<u>Period of Performance</u>
Option 1	April 1, 2008 – March 31, 2009
Option 2	April 1, 2009 – March 31, 2010
Option 3	April 1, 2010 – March 31, 2011
Option 4	April 1, 2011 – March 31, 2012

(End of Clause)

**F.5 SECTION 10721 RATES (MSFC 52.247-90) (FEB 2001)**

The Contractor shall use carriers that offer acceptable service at reduced rates (Section 10721 rates), if available.

(End of Clause)

**F.6 PHASE-IN AND PHASE-OUT**

(a) Contractor Phase-In

(1) The services provided by this Order are vital to the Government's overall effort. Therefore, continuity of these services must be maintained at a consistently high level without disruption. To this end, the Contractor shall conduct an orderly phase-in of contract activities prior to assumption of responsibility for the effort described in the PWS.

(2) The Contractor shall have up to 14 work days immediately prior to the effective date of the contract in which to conduct phase-in. Office space will not be provided by the Government during the phase-in period. During this time, the Contractor shall not be responsible for performance of the effort described in the PWS. It is understood that during phase-in the predecessor contractor(s) will be performing the work described in the PWS.

(3) On April 1, 2007, the Contractor shall assume full responsibility for the effort covered by the PWS.

(4) During phase-in the Contractor shall:

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(i) Participate in meetings with the predecessor contractor(s) to identify and discuss problems or areas requiring attention during the phase-in period; and

(ii) Perform all activities described in the Contractor's phase-in plan submitted with its proposal, and all activities necessary to ensure effective transfer of all effort from the predecessor contractor(s) and readiness to assume full contract performance. As part of phase-in activities, the contractor shall provide the following: 1) Final Safety, Health and Environmental Plan (see DRD 1140SA-001); 2) Badged Employee and Remote IT User Listing (see DRD 1140MA-004); 3) Position Risk Designation for Non-NASA Employees (see DRD 1140MA-006); and 4) qualified staff available, badged (in accordance with the Personal Identity Verification (PIV) Procedures provided in Attachment J-6), and ready to assume performance.

(b) The Contractor shall invoice the Government for phase-in activities only at the completion of the purchase order. The Government's obligations under this contract will not commence until after the successful completion of the separate phase-in purchase order.

(c) Contractor Phase-out

(1) Prior to contract completion, a successor contractor(s) may be selected to perform the work requirements covered by the PWS. The Contractor shall conduct an orderly phase-out of all required activities prior to completion of this contract and assumption of responsibility for the effort described in the PWS by a successor contractor(s). The Contractor shall remain responsible for the effort covered by the PWS during phase-out activities.

(2) Upon written notice by the Contracting Officer prior to the contract completion date, the Contractor shall conduct phase-out activities for up to 30 calendar days in accordance with FAR 52.237-3, Continuity of Services.

(End of Clause)

**[END OF SECTION]**

SECTION G - CONTRACT ADMINISTRATION DATA

**G.1 LISTING OF CLAUSES INCORPORATED BY REFERENCE**

I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1)

<u>Clause Number</u>	<u>Title</u>	<u>Date</u>
None included by reference.		

II. NASA FAR SUPPLEMENT (48 CFR CHAPTER 18) CLAUSES

<u>Clause Number</u>	<u>Title</u>	<u>Date</u>
1852.242-71	Travel Outside of the United States	DEC 1988
1852.242-73	NASA Contractor Financial Management Reporting	NOV 2004
1852.245-70	Contractor Requests for Government-Owned Equipment	JUL 1997

(End of Clause)

**G.2 SUBMISSION OF VOUCHERS FOR PAYMENT (NFS 1852.216-87 ) (MAR 1998)**

(a) The designated billing office for cost vouchers for purposes of the Prompt Payment clause of this contract is indicated below. Public vouchers for payment of costs shall include a reference to the number of this contract.

(b) (1) If the contractor is authorized to submit interim cost vouchers directly to the NASA paying office, the original voucher should be submitted to:

NASA/George C. Marshall Space Flight Center  
RS23/Accounting Operations Office  
Marshall Space Flight Center, AL 35812

Or other designated billing office as specified in writing by the Contracting Officer (i.e., NASA Shared Services Center, etc.).

(2) For any period that the Defense Contract Audit Agency has authorized the Contractor to submit interim cost vouchers directly to the Government paying office, interim vouchers are not required to be sent to the Auditor, and are considered to be provisionally approved for payment, subject to final audit.

(3) Copies of vouchers should be submitted as directed by the Contracting Officer.

(c) If the contractor is not authorized to submit interim cost vouchers directly to the paying office as described in paragraph (b), the contractor shall prepare and submit vouchers as follows:

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(1) One original Standard Form (SF) 1034, SF 1035, or equivalent Contractor's attachment through the Contractor's cognizant DCAA office to the NASA paying office identified in paragraph (b)(1).

(2) Five copies of SF 1034, SF 1035A, or equivalent Contractor's attachment to the following offices by insertion in the memorandum block of their names and addresses:

- (i) Copy 1 NASA Contracting Officer
- (ii) Copy 2 Auditor
- (iii) Copy 3 Contractor
- (iv) Copy 4 Contract administration office; and
- (v) Copy 5 Project management office.

(3) The Contracting Officer may designate other recipients as required.

(d) Public vouchers for payment of fee shall be prepared similarly to the procedures in paragraphs (b) or (c) of this clause, whichever is applicable, and be forwarded to the address specified in paragraph (b)(1). This is the designated billing office for fee vouchers for purposes of the "Prompt Payment" clause of this contract.

(e) In the event that amounts are withheld from payment in accordance with provisions of this contract, a separate voucher for the amount withheld will be required before payment for that amount may be made.

(End of Clause)

**G.3 SUPPLEMENTAL PAYMENT INSTRUCTIONS (AUG 2006)**

Reference Section B, Clause B.5, INCENTIVE FEE. Incentive fee vouchers shall be approved by the Contracting Officer's Technical Representative (COTR) and the Contracting Officer before payment is made to the Contractor.

All provisional and final vouchers shall be submitted to the address listed in Clause G.2 (b)(1) and shall be approved by both the COTR and the Contracting Officer before payment. The COTR will only approve provisional incentive fee payments if warranted by acceptable work performance.

(End of Clause)

**G.4 TECHNICAL DIRECTION (NFS 1852.242-70) (SEP 1993)**

(a) Performance of the work under this contract is subject to the written technical direction of the Contracting Officer Technical Representative (COTR), who shall be specifically appointed by the Contracting Officer in writing in accordance with NASA FAR Supplement 1842.270. "Technical direction" means a directive that approves approaches, solutions, designs, or refinements; fills in details or otherwise completes the general description of work or documentation items; shifts emphasis among work areas or tasks; or furnishes similar instruction to the Contractor. Technical

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direction includes requiring studies and pursuit of certain lines of inquiry regarding matters within the general tasks and requirements in Section J-1 of this contract.

(b) The COTR does not have the authority to, and shall not, issue any instruction purporting to be technical direction that—

- (1) Constitutes an assignment of additional work outside the statement of work;
- (2) Constitutes a change as defined in the changes clause (52.243-2 Changes-Cost Reimbursement)(Alternate II);
- (3) Constitutes a basis for any increase or decrease in the total estimated contract cost, the fixed fee (if any), 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 rights to perform the terms and conditions of the contract.

(c) All technical direction shall be issued in writing by the COTR.

(d) The Contractor shall proceed promptly with the performance of technical direction duly issued by the COTR in the manner prescribed by this clause and within the COTR's authority. If, in the Contractor's opinion, any instruction or direction by the COTR falls within any of the categories defined in paragraph (b) of this clause, the Contractor shall not proceed but shall notify the Contracting Officer in writing within 5 working days after receiving it and shall request the Contracting Officer to take action as described in this clause. Upon receiving this notification, the Contracting Officer shall either issue an appropriate contract modification within a reasonable time or advise the Contractor in writing within 30 calendar days that the instruction or direction is—

- (1) Rescinded in its entirety; or
- (2) Within the requirements of the contract and does not constitute a change under the changes clause of the contract, and that the Contractor should proceed promptly with its performance.

(e) A failure of the contractor and contracting officer to agree that the instruction or direction is both within the requirements of the contract and does not constitute a change under the changes clause, or a failure to agree upon the contract action to be taken with respect to the instruction or direction, shall be subject to the Disputes clause (52.233-1) of this contract.

(f) Any action(s) taken by the contractor in response to any direction given by any person other than the Contracting Officer or the COTR shall be at the Contractor's risk.

(End of Clause)

### **G.5 INSTALLATION-ACCOUNTABLE GOVERNMENT PROPERTY (1852.245-71) (NOV 2004)**

(a) The Government property described in the clause at 1852.245-77, List of Installation-Accountable Property and Services, shall be made available to the Contractor on a no-charge basis for use in performance of this contract. This property shall be utilized only within the physical confines of the NASA installation that provided the property. Under this clause, the

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Government retains accountability for, and title to, the property, and the Contractor assumes the following user responsibilities:

The contractor shall retain responsibility for ensuring proper use, care, and protection (safeguarding) of all Installation-Accountable Government Property (IAGP) under his/her custody and control. Individual users shall be responsible for the following: (1) Ensuring IAGP is used only in pursuit of approved programs and projects, or as otherwise authorized; (2) Notifying cognizant Property Support Assistant (PSA) and/or Property Custodian, of all assigned equipment location changes; (3) Ensuring that any lost, missing or damaged IAGP is officially reported to his/her supervisor, the appropriate PSA, and the Protective Services Department; (4) Notifying PSA of IAGP not being actively used; (5) Ensuring that IAGP is turned in to the Property Disposal Officer through the PSA when no longer needed. Under no circumstances will the contractor dispose of IAGP, whether tagged or untagged; and, (6) Notifying the Contracting Officer, cognizant PSA, and the Center's Supply and Equipment Management Officer upon termination of employment.

The contractor shall establish and adhere to a system of written procedures for compliance with these user responsibilities and shall detail them in DRD 1140LS-001. Such procedures must include holding employees liable, when appropriate, for loss, damage, or destruction of Government property.

(b) (1) The official accountable recordkeeping, physical inventory, financial control, and reporting of the property subject to this clause shall be retained by the Government and accomplished by the installation Supply and Equipment Management Officer (SEMO) and Financial Management Officer. If this contract provides for the contractor to acquire property, title to which will vest in the Government, the following additional procedures apply:

(i) The contractor's purchase order shall require the vendor to deliver the property to the installation central receiving area;

(ii) The contractor shall furnish a copy of each purchase order, prior to delivery by the vendor, to the installation central receiving area;

(iii) The contractor shall establish a record of the property as required by FAR 45.5 and 1845.5 and furnish to the Industrial Property Officer a DD Form 1149 Requisition and Invoice/ Shipping Document (or installation equivalent) to transfer accountability to the Government within 5 working days after receipt of the property by the contractor. The contractor is accountable for all contractor-acquired property until the property is transferred to the Government's accountability.

(iv) Contractor use of Government property at an off-site location and off-site subcontractor use require advance approval of the contracting officer and notification of the SEMO. The contractor shall assume accountability and financial reporting responsibility for such property. The contractor shall establish records and property control procedures and maintain the property in accordance with the requirements of FAR Part 45.5 until its return to the installation.

(2) After transfer of accountability to the Government, the contractor shall continue to maintain such internal records as are necessary to execute the user responsibilities identified in paragraph (a) and document the acquisition, billing, and disposition of the property. These records and supporting documentation shall be made available, upon request, to the SEMO and any other authorized representatives of the contracting officer.

(End of Clause)

**G.6 LIST OF INSTALLATION-ACCOUNTABLE PROPERTY AND SERVICES NFS  
(1852.245-77) (JUL 1997)**

In accordance with the clause at 1852.245-71, Installation-Accountable Government Property, the Contractor is authorized use of the types of property and services listed below, to the extent they are available, in the performance of this contract within the physical borders of the installation which may include buildings and space owned or directly leased by NASA in close proximity to the installation, if so designated by the Contracting Officer.

(a) Office space, work area space, and utilities. Government telephones are available for official purposes only; pay telephones are available for contractor employees for unofficial calls.

(b) General- and special-purpose equipment, including office furniture.

(1) Equipment to be made available is listed in Attachment J-7. The Government retains accountability for this property under the clause at 1852.245-71, Installation-Accountable Government Property, regardless of its authorized location.

(2) If the Contractor acquires property, title to which vests in the Government pursuant to other provisions of this contract, this property also shall become accountable to the Government upon its entry into Government records as required by the clause at 1852.245-71, Installation-Accountable Government Property.

(3) The Contractor shall not bring to the installation for use under this contract any property owned or leased by the Contractor, or other property that the Contractor is accountable for under any other Government contract, without the Contracting Officer's prior written approval.

(c) Supplies from stores stock.

(d) Publications and blank forms stocked by the installation.

(e) Safety and fire protection for Contractor personnel and facilities.

(f) Installation facility services: none.

(g) Medical treatment of a first-aid nature for Contractor personnel injuries or illnesses sustained during on-site duty and normal operating hours.

(h) Cafeteria privileges for Contractor employees during normal operating hours.

(i) Building maintenance for facilities occupied by Contractor personnel.

(j) Access to the Wellness Center fitness facilities consistent with the Center's policies (fee required).

(k) Moving and hauling for office moves, movement of large equipment, and delivery of supplies. Moving services shall be provided on-site, as approved by the Contracting Officer.

(l) The user responsibilities of the Contractor are defined in paragraph (a) of the clause at 1852.245-71, Installation-Accountable Government Property.

(End of Clause)

**G.7 CONTRACTOR EMPLOYEE BADGING AND EMPLOYMENT TERMINATION CLEARANCE (MSFC 52.204-90) (JUL 2006)**

(a) It is anticipated that performance of the requirements of this contract will require employee access to and picture badging by the Marshall Space Flight Center. Contractor requests for badging of employees shall be by MSFC Form 1739, "MSFC Contractor Badge/Decal Application." Requests for badging shall be submitted to the appointed Contracting Officer Technical Representative for completion and approval prior to processing by the MSFC Protective Services Department.

(b) The Contractor shall establish procedures to ensure that each badged employee is properly cleared in accordance with MSFC Form 383-1, "Contractor Employee Clearance Document," prior to finalization of employment termination.

(c) Requests for copies of MSFC Forms 383-1, and 1739 shall be directed to the MSFC Protective Services Department, Marshall Space Flight Center, Alabama 35812.

(End of Clause)

**G.8 PERSONAL IDENTITY VERIFICATION OF CONTRACTOR PERSONNEL (JAN 2006)**

(a) The Contractor shall comply with agency personal identity verification procedures identified in the contract that implement Homeland Security Presidential Directive-12 (HSPD-12), Office of Management and Budget (OMB) guidance M-05-24, and Federal Information Processing Standards Publication (FIPS PUB) Number 201.

(b) The Contractor shall insert FAR 52.204-9 in all subcontracts when the subcontractor is required to have physical access to a federally-controlled facility or access to a Federal information system.

Note: The agency personal identity verification procedures are provided in Attachment J-6, Personal Identity Verification Procedures.

(End of clause)

**[END OF SECTION]**

**SECTION H - SPECIAL CONTRACT REQUIREMENTS**

**H.1 LISTING OF CLAUSES INCORPORATED BY REFERENCE**

I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1)

<u>CLAUSE NUMBER</u>	<u>TITLE</u>	<u>DATE</u>
None included by reference.		

II. NASA FAR SUPPLEMENT (48 CFR CHAPTER 18) CLAUSES

<u>CLAUSE NUMBER</u>	<u>TITLE</u>	<u>DATE</u>
1852.208-81	Restrictions On Printing And Duplicating	NOV 2004
1852.242-72	Observance Of Legal Holidays (Alternate II)	OCT 2000

(End of Clause)

**H.2 TASK ORDERING PROCEDURE**

(a) Only the Contracting Officer may issue task orders to the Contractor, providing specific authorization or direction to perform work within the scope of the contract and as specified in the schedule. The Contractor may incur costs under this contract in performance of task orders and task order modifications issued in accordance with this clause. No other costs are authorized unless otherwise specified in the contract or expressly authorized by the Contracting Officer.

(b) Prior to issuing a task order, the Contracting Officer shall provide the Contractor with the following data:

(1) A functional description of the work identifying the objectives or results desired from the contemplated task order.

(2) Performance metrics that will apply to the TO. Note: As TOs are added to the contract, if the TO performance incentives are not listed in J-2, the contract will be unilaterally modified to include the performance incentive metrics for the service(s) listed in the TO. Also, performance incentive metrics listed in J-3 will be modified to include the new metric(s) and revised weighting of the performance metrics.

(3) A request for a task plan from the Contractor to include the technical approach, period of performance, appropriate cost information, and any other information required to determine the reasonableness of the Contractor's proposal.

(c) Within 5 calendar days after receipt of the Contracting Officer's request, the Contractor shall submit a task plan conforming to the request.

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(d) After review and any necessary discussions, the Contracting Officer may issue a task order to the Contractor containing, as a minimum, the following:

- (1) Date of the order.
- (2) Contract number and order number.
- (3) Functional description of the work identifying the objectives or results desired from the task order, including special instructions or other information necessary for performance of the task.
- (4) Performance standards, and where appropriate, quality assurance standards.
- (5) Maximum dollar amount authorized (cost and fee or price).
- (6) Any other resources (travel, materials, equipment, facilities, etc.) authorized.
- (7) Delivery/performance schedule including start and end dates.
- (8) If contract funding is by individual task order, accounting and appropriation data.

(e) The Contractor shall provide acknowledgment of receipt to the Contracting Officer within 2 calendar days after receipt of the task order.

(f) If time constraints do not permit issuance of a fully defined task order in accordance with the procedures described in paragraphs (a) through (d), a task order which includes a ceiling price may be issued.

(g) The Contracting Officer may amend tasks in the same manner in which they were issued.

(h) In the event of a conflict between the requirements of the task order and the Contractor's approved task plan, the task order shall prevail.

(End of Clause)

### **H.3 SUPPLEMENTAL TASK ORDERING PROCEDURES**

(a) This clause supplements the Task Ordering Procedure defined in H.2.

(b) Work to be performed under this portion of the requirement will be within the broad parameters of PWS 7.0 and more clearly defined in the Task Orders (TOs) approved by the Contracting Officer and the Contracting Officer's Technical Representative (COTR). An overview and flowchart of this process is provided at Attachment J-8.

(c) When the Government issues a Task Order Request (TOR) in accordance with paragraph (d) of Clause H.2, the Contractor shall prepare, as part of the Task Order Plan (TOP), the Contractor's estimate of the labor hours, labor categories, indirect cost, and other direct costs required to perform the Task Order requirements. In preparing the estimate, it is mutually agreed and understood that the Contractor or its Teammate(s) and/or Subcontractor(s) shall use the

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labor categories and their current rates or those set forth in Attachment J-5 (whichever is lower). It is further agreed and understood that the maximum available cost and performance incentive fees and indirect rates, equating to a percentage, set forth in Attachment J-5, shall be used by the Contractor to calculate the estimated cost, target cost, target cost incentive fee, maximum cost incentive fee and maximum performance incentive fee dollars for each Task Order.

(d) Each TO will include the period covered, estimated cost, target cost, target cost incentive, and maximum potential fees. At the end of each cost and performance incentive fee evaluation period, the current period values of all task orders that were active during that evaluation period will be summed and the resulting total value summation will be used as the target cost incentive fee and maximum potential cost and performance incentive fee for that evaluation period. A reconciling unilateral modification to the contract will be issued semiannually (at a minimum) revising Clause B.2, to reflect the summation of the current total task order values.

(e) The assigned CO and COTR will review and approve each TO and any revision thereto. The Government retains the right to disapprove any Task Order Plans at the sole discretion of the Government.

(f) Approval of TOs does not relieve the Contractor of its obligation under the "Limitation of Funds" clause and the "Availability of Funds" clauses of the contract.

(g) All task orders, including both existing task orders and new task orders, issued pursuant to this clause and Clause H.2, are subject to the terms and conditions of this contract including any revisions, from the effective date of the revisions to the contract through the period of performance of the task order(s), unless otherwise specified in the task order(s).

(End of Clause)

### **H.4 TASK ORDER COST INCREASE NOTIFICATION REQUIREMENTS**

(a) The requirements of this clause are in conjunction with the Limitation of Cost clause or the Limitation of Funds clause of this contract.

(b) The Contractor shall notify the Contracting Officer in writing when the Contractor has reason to believe that the total cost for performance of any individual task order, exclusive of any fee, will be either greater or substantially less than the total estimated cost stated in the task order. Notification shall not be delayed pending preparation of a revised estimate.

(c) A revised estimate is required to support a request for an increase in the estimated cost of the contract line item or task order. The revised estimate should be submitted as soon as possible after the above notification but no later than 30 calendar days before the incurred costs are expected to exceed the estimated cost. This will allow adequate time for the Government to evaluate the revised estimate and to mutually establish any increase or decrease in estimated cost with the Contractor.

(d) (1) the revised estimate shall be submitted in the following format unless some other format is directed or approved by the Contracting Officer:

- Incurred costs to date
- Projected cost to completion

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- Total cost at completion
- Current negotiated estimated cost
- Requested increase or decrease in estimated cost

(2) The "projected cost to completion" shall consist of the following "other than cost or pricing data" unless the Contracting Officer requests or approves the submittal of a greater or lesser amount of information:

(i) Elements of cost with supporting detail for estimated direct labor hours, direct and indirect rates, materials and subcontracts, and other elements.

(ii) Supporting explanation for the increases and projections, sufficient for the Government to understand the reasons for the increased estimated cost.

(End of clause)

### **H.5 SAFETY AND HEALTH (NFS 1852.223-70) (APR 2002)**

(a) Safety is the freedom from those conditions that can cause death, injury, occupational illness, damage to or loss of equipment or property, or damage to the environment. NASA's safety priority is to protect: (1) the public, (2) astronauts and pilots, (3) the NASA workforce (including contractor employees working on NASA contracts), and (4) high-value equipment and property.

(b) The Contractor shall take all reasonable safety and occupational health measures in performing this contract. The Contractor shall comply with all Federal, State, and local laws applicable to safety and occupational health and with the safety and occupational health standards, specifications, reporting requirements, and any other relevant requirements of this contract.

(c) The Contractor shall take, or cause to be taken, any other safety, and occupational health measures the Contracting Officer may reasonably direct. To the extent that the Contractor may be entitled to an equitable adjustment for those measures under the terms and conditions of this contract, the equitable adjustment shall be determined pursuant to the procedures of the changes clause of this contract; provided, that no adjustment shall be made under this Safety and Health clause for any change for which an equitable adjustment is expressly provided under any other clause of the contract.

(d) The Contractor shall immediately notify and promptly report to the Contracting Officer or a designee any accident, incident, or exposure resulting in fatality, lost-time occupational injury, occupational disease, contamination of property beyond any stated acceptable limits set forth in the contract Schedule; or property loss of \$25,000 or more, or Close Call (a situation or occurrence with no injury, no damage or only minor damage (less than \$1,000) but possesses the potential to cause any type mishap, or any injury, damage, or negative mission impact) that may be of immediate interest to NASA, arising out of work performed under this contract. The Contractor is not required to include in any report an expression of opinion as to the fault or negligence of any employee. In addition, service contractors (excluding construction contracts) shall provide quarterly reports specifying lost-time frequency rate, number of lost-time injuries, exposure, and accident/incident dollar losses as specified in the contract Schedule.

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(e) The Contractor shall investigate all work-related incidents, accidents, and Close Calls, to the extent necessary to determine their causes and furnish the Contracting Officer a report, in such form as the Contracting Officer may require, of the investigative findings and proposed or completed corrective actions.

(f) (1) The Contracting Officer may notify the Contractor in writing of any noncompliance with this clause and specify corrective actions to be taken. When the Contracting Officer becomes aware of noncompliance that may pose a serious or imminent danger to safety and health of the public, astronauts and pilots, the NASA workforce (including contractor employees working on NASA contracts), or high value mission critical equipment or property, the Contracting Officer shall notify the Contractor orally, with written confirmation. The Contractor shall promptly take and report any necessary corrective action.

(2) If the Contractor fails or refuses to institute prompt corrective action in accordance with subparagraph (f)(1) of this clause, the Contracting Officer may invoke the stop-work order clause in this contract or any other remedy available to the Government in the event of such failure or refusal.

(g) The Contractor (or subcontractor or supplier) shall insert the substance of this clause, including this paragraph (g) and any applicable Schedule provisions and clauses, with appropriate changes of designations of the parties, in all solicitations and subcontracts of every tier, when one or more of the following conditions exist:

(1) The work will be conducted completely or partly on premises owned or controlled by the Government.

(2) The work includes construction, alteration, or repair of facilities in excess of the simplified acquisition threshold.

(3) The work, regardless of place of performance, involves hazards that could endanger the public, astronauts and pilots, the NASA workforce (including Contractor employees working on NASA contracts), or high value equipment or property, and the hazards are not adequately addressed by Occupational Safety and Health Administration (OSHA) or Department of Transportation (DOT) regulations (if applicable).

(4) When the Contractor (or subcontractor or supplier) determines that the assessed risk and consequences of a failure to properly manage and control the hazard(s) warrants use of the clause.

(h) The Contractor (or subcontractor or supplier) may exclude the provisions of paragraph (g) from its solicitation(s) and subcontract(s) of every tier when it determines that the clause is not necessary because the application of the OSHA and DOT (if applicable) regulations constitute adequate safety and occupational health protection. When a determination is made to exclude the provisions of paragraph (g) from a solicitation and subcontract, the Contractor must notify and provide the basis for the determination to the Contracting Officer. In subcontracts of every tier above the micro-purchase threshold for which paragraph (g) does not apply, the Contractor (or subcontractor or supplier) shall insert the substance of paragraphs (a), (b), (c), and (f) of this clause).

(i) Authorized Government representatives of the Contracting Officer shall have access to and the right to examine the sites or areas where work under this contract is being performed in order to determine the adequacy of the Contractor's safety and occupational health measures under this clause.

(j) The contractor shall continually update the safety and health plan when necessary. In particular, the Contractor shall furnish a list of all hazardous operations to be performed, and a list of other major or key operations required or planned in the performance of the contract, even though not deemed hazardous by the Contractor. NASA and the Contractor shall jointly decide which operations are to be considered hazardous, with NASA as the final authority. Before hazardous operations commence, the Contractor shall submit for NASA concurrence

- (1) Written hazardous operating procedures for all hazardous operations; and/or
- (2) Qualification standards for personnel involved in hazardous operations.

(End of Clause)

#### **H.6 MAJOR BREACH OF SAFETY OR SECURITY (NFS 1852.223-75) (FEB 2002)**

(a) Safety is the freedom from those conditions that can cause death, injury, occupational illness, damage to or loss of equipment or property, or damage to the environment. Safety is essential to NASA and is a material part of this contract. NASA's safety priority is to protect: (1) the public; (2) astronauts and pilots; (3) the NASA workforce (including contractor employees working on NASA contracts); and (4) high-value equipment and property. A major breach of safety may constitute a breach of contract that entitles the Government to exercise any of its rights and remedies applicable to material parts of this contract, including termination for default. A major breach of safety must be related directly to the work on the contract. A major breach of safety is an act or omission of the Contractor that consists of an accident, incident, or exposure resulting in a fatality or mission failure; or in damage to equipment or property equal to or greater than \$1 million; or in any "willful" or "repeat" violation cited by the Occupational Safety and Health Administration (OSHA) or by a state agency operating under an OSHA approved plan.

(b) Security is the condition of safeguarding against espionage, sabotage, crime (including computer crime), or attack. A major breach of security may constitute a breach of contract that entitles the Government to exercise any of its rights and remedies applicable to material parts of this contract, including termination for default. A major breach of security may occur on or off Government installations, but must be related directly to the work on the contract. A major breach of security is an act or omission by the Contractor that results in compromise of classified information, illegal technology transfer, workplace violence resulting in criminal conviction, sabotage, compromise or denial of information technology services, equipment or property damage from vandalism greater than \$250,000, or theft greater than \$250,000.

(c) In the event of a major breach of safety or security, the Contractor shall report the breach to the Contracting Officer. If directed by the Contracting Officer, the Contractor shall conduct its own investigation and report the results to the Government. The Contractor shall cooperate with the Government investigation, if conducted.

(End of Clause)

#### **H.7 EXPORT LICENSES (NFS 1852.225-70) (FEB 2000)**

(a) The Contractor shall comply with all U.S. export control laws and regulations, including the International Traffic in Arms Regulations (ITAR), 22 CFR Parts 120 through 130, and the Export