

SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS (SF 1449) OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, & 30				1. REQUISITION NO.	PAGE 1 of 107
2. CONTRACT NO.	3. AWARD/EFFECTIVE DATE	4. ORDER NO.	5. SOLICITATION NO. N00024-00-R-6000	6. SOLICITATION ISSUE DATE 23 December 1999	
7. FOR SOLICITATION INFORMATION CALL	a. NAME Joan Benning		b. TELEPHONE NO. (703) 602-7707x610	8. OFFER DUE DATE/LOCAL TIME 14 February 10 a.m. EST	
9. ISSUED BY CODE N00024 Naval Sea Systems Command Buyer: SEA 026 2531 Jefferson Davis Highway Arlington VA 22242-5160		10. THIS ACQUISITION <input checked="" type="checkbox"/> UNRESTRICTED <input type="checkbox"/> SET ASIDE: % FOD <input type="checkbox"/> SMALL DISADV. BUSINESS <input type="checkbox"/> 8(A) SIC: SIZE STD.		11. VERIFY FOR DESTINATION UNLESS BLOCK IS MARKED <input type="checkbox"/> 13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700) 13b. RATING 14. METHOD OF SOLICITATION <input type="checkbox"/> RFQ <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP	
15. DELIVER TO CODE SAME AS BLOCK 9		16. ADMINISTERED BY CODE TBD			
17a. CONTRACTOR/ FA		18a. PAYMENT WILL BE MADE BY CODE TBD			
<input type="checkbox"/> 17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER		18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BLOCK BELOW IS CHECKED <input checked="" type="checkbox"/> SUBMIT TO BLOCK 16			
19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
	See attached.  <i>(Attach Additional Sheets as Necessary)</i>				
25. ACCOUNTING AND APPROPRIATION DATA				26. TOTAL AWARD AMOUNT (For Govt. Use Only)	
<input checked="" type="checkbox"/> 27a. SOLICITATION INCORPORATES BY REFERENCE MOST CURRENT VERSIONS OF FAR 52.212-1, FAR 52.212-3, 52.212-4 AND 52.212-5. ADDENDA <input type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED.					
28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN 2 COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED HEREIN. <input type="checkbox"/>			29. AWARD OF CONTRACT: REFERENCE _____ OFFER DATED _____. YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS: <input type="checkbox"/>		
30a. SIGNATURE OF OFFEROR/CONTRACTOR			31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER)		
30b. NAME AND TITLE OF SIGNER (TYPE OR PRINT)		30c. DATE SIGNED	31b. NAME OF CONTRACTING OFFICER (TYPE OR PRINT) Joan Benning		31c. DATE SIGNED
32a. QUANTITY IN COLUMN 21 HAS BEEN ACCEPTED AND CONFORMS TO THE <input type="checkbox"/> RECEIVED <input type="checkbox"/> INSPECTED <input type="checkbox"/> CONTRACT, EXCEPT AS NOTED			33. SHIP NUMBER <input type="checkbox"/> PARTIAL <input type="checkbox"/>	34. VOUCHER NO. IMRFR	35. AMOUNT VERIFIED
32b. SIGNATURE OF AUTHORIZED GOVT		32c. DATE	36. PAYMENT <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL		37. CHECK NUMBER
41a. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT			38. S/R ACCOUNT NO.	39. S/R VOUCHER NO.	40. PAID BY
41b. SIGNATURE AND TITLE OF			42a. RECEIVED BY (Print)		
41c. DATE			42b. RECEIVED AT (Location)		
			42c. DATE REC'D	42d. TOTAL	

## Executive Summary

The United States Navy and United States Marine Corps are soliciting proposals to contract with the Government to deliver comprehensive, end-to-end information services through a common computing and communications environment. This environment will enhance system and software interoperability and, in turn, enhance information exchange capability for garrisoned and deployed forces as well as individual users. There is also a possibility that, in the future, other military services and DoD agencies may wish to procure comprehensive information technology capabilities as a service under the Navy Marine Corps Intranet (NMCI) contract.

The scope of this effort includes everything necessary to ensure the transmission of voice, video, and data information. It includes associated capital infrastructure improvements necessary to meet quality of service requirements, as well as maintenance, training and operation of that infrastructure. Under the NMCI service contract, the service provider shall own and maintain all required desktop and network hardware and software, and provide all required IT services, including pier connectivity. In addition, **all** existing IT infrastructure required to implement NMCI or whose function is replaced at these sites will be provided to the Contractor. The NMCI service provider shall ensure that the transition from the current operational environment to the enhanced environment takes place without impacting ongoing operations.

Navy and Marine Corps personnel use Information Technology (IT) to support DoN's core business, scientific, research, computational activities, and warfighting. DoN's objectives are to provide secure, universal, and interoperable network-based services. The NMCI service area includes the Continental United States (CONUS), Alaska, Hawaii, Guantanamo Bay (Cuba), Puerto Rico, and Iceland for an estimated 360,000 Navy and Marine Corps Uniform and civilian workforce members (which includes 6,000 USMC reserve seats) in addition to approximately 80,000 Navy Selected Reserve force members. Additionally, the NMCI service area may be expanded to outside the continental US (OCONUS) sites, beyond those listed above.

Initial Operational Capability (IOC) is defined as successful completion of proof of concept testing and evaluation as specified in the term of Part Two (4.0) of this document entitled "Inspection and Acceptance." The target IOC date is not later than six months following start of period of performance.

Full Operational Capability (FOC) is defined as the steady state contract guaranteed number of users having the ability to receive ordered services.

The contract for NMCI services resulting from this solicitation will be a Multiyear Services contract under the authority of 10 U.S.C. §2306(g). The contract will be awarded for a base period of five (5) Program Years and will include an option for an additional period of three (3) Program Years. In the event the contract is cancelled by the Government prior to completion of the base period of performance, the Contractor shall be entitled to payment of a cancellation charge subject to the term of Part Two (5.6) entitled "CANCELLATION UNDER MULTI-YEAR CONTRACTS."

Part One - Continuation of SF 1449
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CONTINUED FROM PAGE 1, BLOCK 19 – 24

Upon receipt of an order, the Contractor shall furnish and deliver to the Government the following services at the firm fixed price specified herein and in accordance with the terms and conditions contained in the contract. After contract award, data, voice and video services shall be provided under the contracted service level agreement(s) appropriate for meeting the mission needs in all operational scenarios. Services are provided to seats, which may include multiple user accounts. The configuration of the workstation and orderable options will be constructed on a case-by-case basis for each installation. In accordance with the clause (6.23) of this contract entitled "Exchange/Sale Authority," the Contractor will provide the Government with possession of the replacement equipment and the exclusive right to use such equipment during the term of the contract. The Government has unlimited rights to continue using existing infrastructure which supports voice or video transmission at no additional price prior to ordering any or all voice or video seats.

The following tables list the services that can be ordered under NMCI. Tables One through Five list the services for the basic contract period; Tables Six through Eight list the services for the option contract period.

For purposes of this contract, the term "user" is defined as any person, including but not limited to members of the uniformed services, civilian Government employees, and contractor personnel requiring services under this contract.



<b>TABLE ONE – Program Year 2001</b>				
Item	Service	Minimum Quantity Year 2001	Monthly Service Price	Service Price/Program Year
0001	Fixed Workstation Seat (See Notes D and F)	67,402		
0002	Portable Seat(See Notes D and F)	16,739		
0003	Embarkable Workstation Seat (See Note D)			
0003AA	Full Service	804		
0003AB	Limited Service	90		
0004	Embarkable Portable Seat (See Note D)			
0004AA	Full Service	790		
0004AB	Limited Service	88		
0005	Hybrid Seat			
0005AA	Basic Hybrid Seat	15,283		
0005AB	Enhanced Hybrid Seat	6,549		
0006	Wall Plug Service			
0007	High-end Seat Upgrade Package			
0008	Mission-Critical Seat Upgrade Package			
0009	Classified Connectivity Upgrade Package			
0010	Fixed Voice Seat			
0010AA	Basic Voice Seat			
0010AB	Business Voice Upgrade Package			
0010AC	Mission-Critical Voice Seat Upgrade Package			
0010AD	Pier Voice Line			
0010AE	Pier Voice Trunk			
0010AF	Commercial Voice Seat			
0010AG	Commercial Voice Connectivity			
0011	Secure Voice Seat			
0012	Mobile Phone Seat			
0013	Personal Paging Service Seat			
0014	Fixed Video Teleconference Seat			
0015	Moveable Video Teleconference Seat			
0015AA	Basic Moveable VTC Seat			
0015AB	High End Moveable VTC Seat			
0015AC	Mission Critical Moveable VTC Seat			
0015AD	Premium Moveable VTC Seat			
0016	Additional File Share Services			
0017	Internet Access for Mobile Phone			

	Seat			
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<b>TABLE ONE CONT'D – Program Year 2001</b>				
Item	Service	Minimum Quantity Year 2001	Monthly Service Price	Service Price/Program Year
0018	Classified Remote Access Service			
0019	Classified/Non-Classified Selectable Connectivity			
0020	Data Seat Voice Communications Upgrade			
0021	Defense Messaging System Data Seat Upgrade			
0022	Desktop Video Teleconference			
0022AA	Basic Desktop VTC			
0022AB	High End Desktop VTC			
0023	Optional User Capabilities			
0024	Additional Non-Classified Account			
0025	Additional Classified Account			
0026	Additional Moves, Adds, and Changes (See Note A)			
0027	Application Server Connectivity			
0027AA	Standard Low Bandwidth Application			
0027AB	Standard Medium Bandwidth Application			
0027AC	Standard High Bandwidth Application			
0027AD	Mission Critical Low Bandwidth Application			
0027AE	Mission Critical Medium Bandwidth Application			
0027AF	Mission Critical High Bandwidth Application			
0028	Data Warehousing			
0029	Legacy Systems Support			
0030	Network Operations Display			
0031	Military Personnel Core Competency Development (Sea-Shore Rotation and Operating Forces/Supporting Establishment Rotations) (See Note B)			
0032	External Network Interface			
0033	Information Technology/Knowledge Management Retraining Program			
0034	Satellite Terminal Support			
0035	Incentive			

0036	OCONUS Services			
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<b>TABLE ONE CONT'D – Program Year 2001</b>				
Item	Service	Minimum Quantity Year 2001	Monthly Service Price	Service Price/Program Year
0036AA	Japan (See Note E)			
0037	Deferred Award			
Minimum Requirement (See 2.1 of Part Two):				Inserted at Award

<b>TABLE TWO – Program Year 2002</b>				
Item	Service	Minimum Quantity Year 2002	Monthly Service Price	Service Price/Program Year
0001	Fixed Workstation Seat (See Note D)	Offeror fill in		
0002	Portable Seat (See Note D)	Offeror fill in		
0003	Embarkable Workstation Seat (See Note D)			
0003AA	Full Service	Offeror fill in		
0003AB	Limited Service	Offeror fill in		
0004	Embarkable Portable Seat (See Note D)			
0004AA	Full Service	Offeror fill in		
0004AB	Limited Service	Offeror fill in		
0005	Hybrid Seat (See Note D)			
0005AA	Basic Hybrid Seat	Offeror fill in		
0005AB	Enhanced Hybrid Seat	Offeror fill in		
0006	Wall Plug Service			
0007	High-end Seat Upgrade Package	Offeror fill in		
0008	Mission-Critical Seat Upgrade Package	Offeror fill in		
0009	Classified Connectivity Upgrade Package	Offeror fill in		
0010	Fixed Voice Seat			
0010AA	Basic Voice Seat			
0010AB	Business Voice Upgrade Package			
0010AC	Mission-Critical Voice Seat Upgrade Package			
0010AD	Pier Voice Line			
0010AE	Pier Voice Trunk			
0010AF	Commercial Voice Seat			
0010AG	Commercial Voice Connectivity			
0011	Secure Voice Seat			
0012	Mobile Phone Seat			
0013	Personal Paging Service Seat			
0014	Fixed Video Teleconference Seat			
0015	Moveable Video Teleconference Seat			
0015AA	Basic Moveable VTC Seat			
0015AB	High End Moveable VTC Seat			
0015AC	Mission Critical Moveable VTC Seat			
0015AD	Premium Moveable VTC Seat			
0016	Additional File Share Services			
0017	Internet Access for Mobile Phone Seat			

<b>TABLE TWO CONT'D – Program Year 2002</b>				
Item	Service	Minimum Quantity Year 2002	Monthly Service Price	Service Price/Program Year
0018	Classified Remote Access Service			
0019	Classified/Non-Classified Selectable Connectivity			
0020	Data Seat Voice Communications Upgrade			
0021	Defense Messaging System Data Seat Upgrade			
0022	Desktop Video Teleconference			
0022AA	Basic Desktop VTC			
0022AB	High End Desktop VTC			
0023	Optional User Capabilities			
0024	Additional Non-Classified Account			
0025	Additional Classified Account			
0026	Additional Moves, Adds, and Changes (See <u>Note A</u> )			
0027	Application Server Connectivity			
0027AA	Standard Low Bandwidth Application			
0027AB	Standard Medium Bandwidth Application			
0027AC	Standard High Bandwidth Application			
0027AD	Mission Critical Low Bandwidth Application			
0027AE	Mission Critical Medium Bandwidth Application			
0027AF	Mission Critical High Bandwidth Application			
0028	Data Warehousing			
0029	Legacy Systems Support			
0030	Network Operations Display			
0031	Military Personnel Core Competency Development (Sea-Shore Rotation and Operating Forces/Supporting Establishment Rotations) (See <u>Note B</u> )			
0032	External Network Interface			
0033	Information Technology/Knowledge Management Retraining Program			
0034	Satellite Terminal Support			
0035	Incentive			

<b>TABLE TWO CONT'D – Program Year 2002</b>				
Item	Service	Minimum Quantity Year 2002	Monthly Service Price	Service Price/Program Year
0036	OCONUS Services			
0036AA	Japan (See Note E)			
0037	Deferred Award			
Minimum Requirement ( <u>See 2.1</u> of Part Two):				Inserted at Award

<b>TABLE THREE – Program Year 2003</b>				
Item	Service	Minimum Quantity Year 2003	Monthly Service Price	Service Price/Program Year
0001	Fixed Workstation Seat (See Note D)	Offeror fill in		
0002	Portable Seat (See Note D)	Offeror fill in		
0003	Embarkable Workstation Seat (See Note D)			
0003AA	Full Service	Offeror fill in		
0003AB	Limited Service	Offeror fill in		
0004	Embarkable Portable Seat (See Note D)			
0004AA	Full Service	Offeror fill in		
0004AB	Limited Service	Offeror fill in		
0005	Hybrid Seat (See Note D)			
0005AA	Basic Hybrid Seat	Offeror fill in		
0005AB	Enhanced Hybrid Seat	Offeror fill in		
0006	Wall Plug Service			
0007	High-end Seat Upgrade Package (See Note D)	Offeror fill in		
0008	Mission-Critical Seat Upgrade Package (See Note D)	Offeror fill in		
0009	Classified Connectivity Upgrade Package (See Note D)	Offeror fill in		
0010	Fixed Voice Seat			
0010AA	Basic Voice Seat			
0010AB	Business Voice Upgrade Package			
0010AC	Mission-Critical Voice Seat Upgrade Package			
0010AD	Pier Voice Line			
0010AE	Pier Voice Trunk			
0010AF	Commercial Voice Seat			
0010AG	Commercial Voice Connectivity			
0011	Secure Voice Seat			
0012	Mobile Phone Seat			
0013	Personal Paging Service Seat			
0014	Fixed Video Teleconference (VTC) Seat			
0015	Moveable VTC Seat			
0015AA	Basic Moveable VTC Seat			
0015AB	High End Moveable VTC Seat			
0015AC	Mission Critical Moveable VTC Seat			
0015AD	Premium Moveable VTC Seat			
0016	Additional File Share Services			

<b>TABLE THREE CONT'D – Program Year 2003</b>				
Item	Service	Minimum Quantity Year 2003	Monthly Service Price	Service Price/Program Year
0017	Internet Access for Mobile Phone Seat			
0018	Classified Remote Access Service (See Note D)			
0019	Classified/Non-Classified Selectable Connectivity			
0020	Data Seat Voice Communications Upgrade			
0021	Defense Messaging System Data Seat Upgrade			
0022	Desktop Video Teleconference			
0022AA	Basic Desktop VTC			
0022AB	High End Desktop VTC			
0023	Optional User Capabilities			
0024	Additional Non-Classified Account			
0025	Additional Classified Account			
0026	Additional Moves, Adds, and Changes (See Note A)			
0027	Application Server Connectivity			
0027AA	Standard Low Bandwidth Application			
0027AB	Standard Medium Bandwidth Application			
0027AC	Standard High Bandwidth Application			
0027AD	Mission Critical Low Bandwidth Application			
0027AE	Mission Critical Medium Bandwidth Application			
0027AF	Mission Critical High Bandwidth Application			
0028	Data Warehousing			
0029	Legacy Systems Support			
0030	Network Operations Display			
0031	Military Personnel Core Competency Development (Sea-Shore Rotation and Operating Forces/Supporting Establishment Rotations) (See Note B)			
0032	External Network Interface			
0033	Information Technology/Knowledge Management Retraining Program			
0034	Satellite Terminal Support			
0035	Incentive			

<b>TABLE THREE CONT'D – Program Year 2003</b>				
Item	Service	Minimum Quantity Year 2003	Monthly Service Price	Service Price/Program Year
0036	OCONUS Services			
0036AA	Japan (See Note E)			
0037	Deferred Award			
Minimum Requirement ( <u>See 2.1</u> of Part Two):				Inserted at Award

<b>TABLE FOUR – Program Year 2004</b>				
Item	Service	Minimum Quantity Year 2004	Monthly Service Price	Service Price/Program Year
0001	Fixed Workstation Seat (See Note D)	163,871		
0002	Portable Seat (See Note D)	32,781		
0003	Embarkable Workstation Seat (See Note D)			
0003AA	Full Service	27,837		
0003AB	Limited Service	3,093		
0004	Embarkable Portable Seat (See Note D)			
0004AA	Full Service	9,704		
0004AB	Limited Service	1,078		
0005	Hybrid Seat (See Note D)			
0005AA	Basic Hybrid Seat	24,102		
0005AB	Enhanced Hybrid Seat	10,329		
0006	Wall Plug Service			
0007	High-end Seat Upgrade Package (See Note D)	39,891		
0008	Mission-Critical Seat Upgrade Package (See Note D)	44,782		
0009	Classified Connectivity Upgrade Package (See Note D)	27,455		
0010	Fixed Voice Seat			
0010AA	Basic Voice Seat			
0010AB	Business Voice Upgrade Package			
0010AC	Mission-Critical Voice Seat Upgrade Package			
0010AD	Pier Voice Line			
0010AE	Pier Voice Trunk			
0010AF	Commercial Voice Seat			
0010AG	Commercial Voice Connectivity			
0011	Secure Voice Seat			
0012	Mobile Phone Seat			
0013	Personal Paging Service Seat			
0014	Fixed Video Teleconference (VTC) Seat			
0015	Moveable VTC Seat			
0015AA	Basic Moveable VTC Seat			
0015AB	High End Moveable VTC Seat			
0015AC	Mission Critical Moveable VTC Seat			
0015AD	Premium Moveable VTC Seat			
0016	Additional File Share Services			

<b>TABLE FOUR CONT'D – Program Year 2004</b>				
Item	Service	Minimum Quantity Year 2004	Monthly Service Price	Service Price/Program Year
0017	Internet Access for Mobile Phone Seat			
0018	Classified Remote Access Service			
0019	Classified/Non-Classified Selectable Connectivity			
0020	Data Seat Voice Communications Upgrade			
0021	Defense Messaging System Data Seat Upgrade			
0022	Desktop Video Teleconference			
0022AA	Basic Desktop VTC			
0022AB	High End Desktop VTC			
0023	Optional User Capabilities			
0024	Additional Non-Classified Account			
0025	Additional Classified Account			
0026	Additional Moves, Adds, and Changes (See <u>Note A</u> )			
0027	Application Server Connectivity			
0027AA	Standard Low Bandwidth Application			
0027AB	Standard Medium Bandwidth Application			
0027AC	Standard High Bandwidth Application			
0027AD	Mission Critical Low Bandwidth Application			
0027AE	Mission Critical Medium Bandwidth Application			
0027AF	Mission Critical High Bandwidth Application			
0028	Data Warehousing			
0029	Legacy Systems Support			
0030	Network Operations Display			
0031	Military Personnel Core Competency Development (Sea-Shore Rotation and Operating Forces/Supporting Establishment Rotations) (See <u>Note B</u> )			
0032	External Network Interface			
0033	Information Technology/Knowledge Management Retraining Program			
0034	Satellite Terminal Support			

0035	Incentive			
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<b>TABLE FOUR CONT'D – Program Year 2004</b>				
Item	Service	Minimum Quantity Year 2004	Monthly Service Price	Service Price/Program Year
0036	OCONUS Services			
0036AA	Japan (See Note E)			
0037	Deferred Award			
Minimum Requirement ( <u>See 2.1</u> of Part Two):				Inserted at Award

<b>TABLE FIVE – Program Year 2005</b>				
Item	Service	Minimum Quantity Year 2005	Monthly Service Price	Service Price/Program Year
0001	Fixed Workstation Seat (See Note D)	163,871		
0002	Portable Seat (See Note D)	32,781		
0003	Embarkable Workstation Seat (See Note D)			
0003AA	Full Service	27,837		
0003AB	Limited Service	3,093		
0004	Embarkable Portable Seat (See Note D)			
0004AA	Full Service	9,704		
0004AB	Limited Service	1,078		
0005	Hybrid Seat (See Note D)			
0005AA	Basic Hybrid Seat	24,102		
0005AB	Enhanced Hybrid Seat	10,329		
0006	Wall Plug Service			
0007	High-end Seat Upgrade Package (See Note D)	39,891		
0008	Mission-Critical Seat Upgrade Package (See Note D)	44,782		
0009	Classified Connectivity Upgrade Package (See Note D)	27,455		
0010	Fixed Voice Seat			
0010AA	Basic Voice Seat			
0010AB	Business Voice Upgrade Package			
0010AC	Mission-Critical Voice Seat Upgrade Package			
0010AD	Pier Voice Line			
0010AE	Pier Voice Trunk			
0010AF	Commercial Voice Seat			
0010AG	Commercial Voice Connectivity			
0011	Secure Voice Seat			
0012	Mobile Phone Seat			
0013	Personal Paging Service Seat			
0014	Fixed Video Teleconference (VTC) Seat			
0015	Moveable VTC Seat			
0015AA	Basic Moveable VTC Seat			
0015AB	High End Moveable VTC Seat			
0015AC	Mission Critical Moveable VTC Seat			
0015AD	Premium Moveable VTC Seat			
0016	Additional File Share Services			

<b>TABLE FIVE CONT'D – Program Year 2005</b>				
Item	Service	Minimum Quantity Year 2005	Monthly Service Price	Service Price/Program Year
0017	Internet Access for Mobile Phone Seat			
0018	Classified Remote Access Service			
0019	Classified/Non-Classified Selectable Connectivity			
0020	Data Seat Voice Communications Upgrade			
0021	Defense Messaging System Data Seat Upgrade			
0022	Desktop Video Teleconference			
0022AA	Basic Desktop VTC			
0022AB	High End Desktop VTC			
0023	Optional User Capabilities			
0024	Additional Non-Classified Account			
0025	Additional Classified Account			
0026	Additional Moves, Adds, and Changes (See <u>Note A</u> )			
0027	Application Server Connectivity			
0027AA	Standard Low Bandwidth Application			
0027AB	Standard Medium Bandwidth Application			
0027AC	Standard High Bandwidth Application			
0027AD	Mission Critical Low Bandwidth Application			
0027AE	Mission Critical Medium Bandwidth Application			
0027AF	Mission Critical High Bandwidth Application			
0028	Data Warehousing			
0029	Legacy Systems Support			
0030	Network Operations Display			
0031	Military Personnel Core Competency Development (Sea-Shore Rotation and Operating Forces/Supporting Establishment Rotations) (See <u>Note B</u> )			
0032	External Network Interface			
0033	Information Technology/Knowledge Management Retraining Program			
0034	Satellite Terminal Support			

0035	Incentive			
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<b>TABLE FIVE CONT'D – Program Year 2005</b>				
Item	Service	Minimum Quantity Year 2005	Monthly Service Price	Service Price/Program Year
0036	OCONUS Services			
0036AA	Japan (See Note E)			
0037	Deferred Award			
Minimum Requirement ( <u>See 2.1</u> of Part Two):				Inserted at Award

<b>TABLE SIX – Program Year 2006 – See Note C</b>				
Item	Service	Minimum Quantity Year 2006	Monthly Service Price	Service Price/Program Year
0101	Fixed Workstation Seat	163,871		
0102	Portable Seat	32,781		
0103	Embarkable Workstation Seat			
0103AA	Full Service	27,837		
0103AB	Limited Service	3,093		
0104	Embarkable Portable Seat			
0104AA	Full Service	9,704		
0104AB	Limited Service	1,078		
0105	Hybrid Seat			
0105AA	Basic Hybrid Seat	24,102		
0105AB	Enhanced Hybrid Seat	10,329		
0106	Wall Plug Service			
0107	High-end Seat Upgrade Package	39,891		
0108	Mission-Critical Seat Upgrade Package	44,782		
0109	Classified Connectivity Upgrade Package	27,455		
0110	Fixed Voice Seat			
0110AA	Basic Voice Seat			
0110AB	Business Voice Upgrade Package			
0110AC	Mission-Critical Voice Seat Upgrade Package			
0110AD	Pier Voice Line			
0110AE	Pier Voice Trunk			
0110AF	Commercial Voice Seat			
0110AG	Commercial Voice Connectivity			
0110AH	Command and Control (C2) Voice Seat Upgrade			
0111	Secure Voice Seat			
0112	Mobile Phone Seat			
0113	Personal Paging Service Seat			
0114	Fixed Video Teleconference (VTC) Seat			
0115	Moveable VTC Seat			
0115AA	Basic Moveable VTC Seat			
0115AB	High End Moveable VTC Seat			
0115AC	Mission Critical Moveable VTC Seat			
0115AD	Premium Moveable VTC Seat			
0116	Additional File Share Services			
0117	Internet Access for Mobile Phone Seat			

<b>TABLE SIX CONT'D – Program Year 2006 – See Note C</b>				
Item	Service	Minimum Quantity Year 2006	Monthly Service Price	Service Price/Program Year
0118	Classified Remote Access Service			
0119	Classified/Non-Classified Selectable Connectivity			
0120	Data Seat Voice Communications Upgrade			
0121	Defense Messaging System Data Seat Upgrade			
0122	Desktop Video Teleconference			
0122AA	Basic Desktop VTC			
0122AB	High End Desktop VTC			
0123	Optional User Capabilities			
0124	Additional Non-Classified Account			
0125	Additional Classified Account			
0126	Additional Moves, Adds, and Changes (See Note A)			
0127	Application Server Connectivity			
0127AA	Standard Low Bandwidth Application			
0127AB	Standard Medium Bandwidth Application			
0127AC	Standard High Bandwidth Application			
0127AD	Mission Critical Low Bandwidth Application			
0127AE	Mission Critical Medium Bandwidth Application			
0127AF	Mission Critical High Bandwidth Application			
0128	Data Warehousing			
0129	Legacy Systems Support			
0130	Network Operations Display			
0131	Military Personnel Core Competency Development (Sea-Shore Rotation and Operating Forces/Supporting Establishment Rotations) (See Note B)			
0132	External Network Interface			
0133	Information Technology/Knowledge Management Retraining Program			
0134	Satellite Terminal Support			
0135	Incentive			
0136	OCONUS Services			

<b>TABLE SIX CONT'D – Program Year 2006 – See Note C</b>				
Item	Service	Minimum Quantity Year 2006	Monthly Service Price	Service Price/Program Year
0136AA	Japan (See Note E)			
Minimum Requirement ( <u>See 2.1</u> of Part Two):				Inserted at Award

<b>TABLE SEVEN – Program Year 2007 – See Note C</b>				
Item	Service	Minimum Quantity Year 2007	Monthly Service Price	Service Price/Program Year
0101	Fixed Workstation Seat	163,871		
0102	Portable Seat	32,781		
0103	Embarkable Workstation Seat			
0103AA	Full Service	27,837		
0103AB	Limited Service	3,093		
0104	Embarkable Portable Seat			
0104AA	Full Service	9,704		
0104AB	Limited Service	1,078		
0105	Hybrid Seat			
0105AA	Basic Hybrid Seat	24,102		
0105AB	Enhanced Hybrid Seat	10,329		
0106	Wall Plug Service			
0107	High-end Seat Upgrade Package	39,891		
0108	Mission-Critical Seat Upgrade Package	44,782		
0109	Classified Connectivity Upgrade Package	27,455		
0110	Fixed Voice Seat			
0110AA	Basic Voice Seat			
0110AB	Business Voice Upgrade Package			
0110AC	Mission-Critical Voice Seat Upgrade Package			
0110AD	Pier Voice Line			
0110AE	Pier Voice Trunk			
0110AF	Commercial Voice Seat			
0110AG	Commercial Voice Connectivity			
0110AH	Command and Control (C2) Voice Seat Upgrade			
0111	Secure Voice Seat			
0112	Mobile Phone Seat			
0113	Personal Paging Service Seat			
0114	Fixed Video Teleconference (VTC) Seat			
0115	Moveable VTC Seat			
0115AA	Basic Moveable VTC Seat			
0115AB	High End Moveable VTC Seat			
0115AC	Mission Critical Moveable VTC Seat			
0115AD	Premium Moveable VTC Seat			
0116	Additional File Share Services			
0117	Internet Access for Mobile Phone Seat			

<b>TABLE SEVEN CONT'D – Program Year 2007 – See Note C</b>				
Item	Service	Minimum Quantity Year 2007	Monthly Service Price	Service Price/Program Year
0118	Classified Remote Access Service			
0119	Classified/Non-Classified Selectable Connectivity			
0120	Data Seat Voice Communications Upgrade			
0121	Defense Messaging System Data Seat Upgrade			
0122	Desktop Video Teleconference			
0122AA	Basic Desktop VTC			
0122AB	High End Desktop VTC			
0123	Optional User Capabilities			
0124	Additional Non-Classified Account			
0125	Additional Classified Account			
0126	Additional Moves, Adds, and Changes (See Note A)			
0127	Application Server Connectivity			
0127AA	Standard Low Bandwidth Application			
0127AB	Standard Medium Bandwidth Application			
0127AC	Standard High Bandwidth Application			
0127AD	Mission Critical Low Bandwidth Application			
0127AE	Mission Critical Medium Bandwidth Application			
0127AF	Mission Critical High Bandwidth Application			
0128	Data Warehousing			
0129	Legacy Systems Support			
0130	Network Operations Display			
0131	Military Personnel Core Competency Development (Sea-Shore Rotation and Operating Forces/Supporting Establishment Rotations) (See Note B)			
0132	External Network Interface			
0133	Information Technology/Knowledge Management Retraining Program			
0134	Satellite Terminal Support			
0135	Incentive			

<b>TABLE SEVEN CONT'D – Program Year 2007 – See Note C</b>				
Item	Service	Minimum Quantity Year 2007	Monthly Service Price	Service Price/Program Year
0136	OCONUS Services			
0136AA	Japan (See Note E)			
Minimum Requirement ( <u>See 2.1</u> of Part Two):				Inserted at Award

<b>TABLE EIGHT – Program Year 2008 – See Note C</b>				
Item	Service	Minimum Quantity Year 2008	Monthly Service Price	Service Price/Program Year
0101	Fixed Workstation Seat	163,871		
0102	Portable Seat	32,781		
0103	Embarkable Workstation Seat			
0103AA	Full Service	27,837		
0103AB	Limited Service	3,093		
0104	Embarkable Portable Seat			
0104AA	Full Service	9,704		
0104AB	Limited Service	1,078		
0105	Hybrid Seat			
0105AA	Basic Hybrid Seat	24,102		
0105AB	Enhanced Hybrid Seat	10,329		
0106	Wall Plug Service			
0107	High-end Seat Upgrade Package	39,891		
0108	Mission-Critical Seat Upgrade Package	44,782		
0109	Classified Connectivity Upgrade Package	27,455		
0110	Fixed Voice Seat			
0110AA	Basic Voice Seat			
0110AB	Business Voice Upgrade Package			
0110AC	Mission-Critical Voice Seat Upgrade Package			
0110AD	Pier Voice Line			
0110AE	Pier Voice Trunk			
0110AF	Commercial Voice Seat			
0110AG	Commercial Voice Connectivity			
0110AH	Command and Control (C2) Voice Seat Upgrade			
0111	Secure Voice Seat			
0112	Mobile Phone Seat			
0113	Personal Paging Service Seat			
0114	Fixed Video Teleconference (VTC) Seat			
0115	Moveable VTC Seat			
0115AA	Basic Moveable VTC Seat			
0115AB	High End Moveable VTC Seat			
0115AC	Mission Critical Moveable VTC Seat			
0115AD	Premium Moveable VTC Seat			
0116	Additional File Share Services			
0117	Internet Access for Mobile Phone Seat			

<b>TABLE EIGHT CONT'D – Program Year 2008 – See Note C</b>				
Item	Service	Minimum Quantity Year 2008	Monthly Service Price	Service Price/Program Year
0118	Classified Remote Access Service			
0119	Classified/Non-Classified Selectable Connectivity			
0120	Data Seat Voice Communications Upgrade			
0121	Defense Messaging System Data Seat Upgrade			
0122	Desktop Video Teleconference			
0122AA	Basic Desktop VTC			
0122AB	High End Desktop VTC			
0123	Optional User Capabilities			
0124	Additional Non-Classified Account			
0125	Additional Classified Account			
0126	Additional Moves, Adds, and Changes (See Note A)			
0127	Application Server Connectivity			
0127AA	Standard Low Bandwidth Application			
0127AB	Standard Medium Bandwidth Application			
0127AC	Standard High Bandwidth Application			
0127AD	Mission Critical Low Bandwidth Application			
0127AE	Mission Critical Medium Bandwidth Application			
0127AF	Mission Critical High Bandwidth Application			
0128	Data Warehousing			
0129	Legacy Systems Support			
0130	Network Operations Display			
0131	Military Personnel Core Competency Development (Sea-Shore Rotation and Operating Forces/Supporting Establishment Rotations) (See Note B)			
0132	External Network Interface			
0133	Information Technology/Knowledge Management Retraining Program			
0134	Satellite Terminal Support			
0135	Incentive			
0136	OCONUS Services			

<b>TABLE EIGHT CONT'D – Program Year 2008 – See Note C</b>				
Item	Service	Minimum Quantity Year 2008	Monthly Service Price	Service Price/Program Year
0136AA	Japan (See Note E)			
Minimum Requirement ( <u>See 2.1</u> of Part Two):				Inserted at Award

**CONTINUED FROM PAGE 1, Block 27a**

**NOTE A** - The unit of order is a lot of 1000 transactions, rather than one month.

**NOTE B** - The unit of order is a lot of 50 service members, rather than one month.

**NOTE C** – Option item to which the clause Term of Contract applies and which is to be supplied only if, and to the extent, said option is ordered or exercised.

**NOTE D** - The Service Price/Program Year for Items 0001-0005 and 0007-0009 for each Program Year up to and including the Program Year during which Full Operational Capability (FOC) occurs shall be calculated based upon implementation of the NMCI Phase-In Schedule set forth in Attachment 1A to this contract. For all Program Years subsequent to FOC, the Service Price/Program Year shall be calculated as follows:

$$SP = (SQ \times MP \times 12)$$

where:

SP = Service Price/Program Year  
 SQ = Minimum Seat Quantity/Program Year  
 MP = Monthly Service Price/Seat

**NOTE E:** “Not to exceed” price subject to downward adjustment only. The parties agree to negotiate a firm fixed price for each applicable program year (including the option, if exercised) not later than six months prior to the commencement of Program Year 2002. In accordance with applicable multi-year contracting regulations, level prices for all program years in the basic contract and level prices for all program years in the option quantity are required.

**NOTE F:** The Government’s obligation to order the minimum quantities and corresponding minimum amounts specified for Program Year 1 (FY '01) is predicated upon the Contractor’s successful, timely achievement of IOC, as defined herein. In the event the Contractor fails to achieve IOC in a timely manner, these specified minimum amounts will be adjusted downward as mutually agreed between the parties. In the event the parties cannot agree upon such a reduction, the Contracting Officer may unilaterally determine an appropriate reduction in minimum quantities/amounts, subject to the provisions of the Disputes clause of this contract.

References to Attachments 1 and 2 in the following descriptions are not intended to be all-inclusive; other portions of the attachments may apply.

Item 0001 (and 0101 if option is exercised): Fixed Workstation Seat: The fixed workstation seat services provided by the NMCI Contractor (including network services which are included with the desktop) shall be composed of a set of IT characteristics (for example, hardware and software, file share services, maintenance, refreshment, administration, network access,

customer support, relocation, training). The unit of purchase for these service categories shall be referred to as a “seat.” The Contractor shall provide two non-classified user accounts for each fixed workstation seat procured.

Attachment 1 References:	3.1.1 through 3.1.17,3.1.19 through 3.1.21, 3.2, 3.3.1 through 3.3.3, 3.4.1 through 3.4.6, 3.5.1, 3.5.2, 3.6.1 through 3.6.4, 4.0 through 4.11
Attachment 2 References:	1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20A, 21, 22, 23, 24, 25, 26, 26A, 27, 28, 29, 30, 31, 33, 34, 35, 36, 36A, 36B, 36C, 36D

Item 0002 (and 0102 if option is exercised): **Portable Seat:** A portable seat meets all the requirements for a fixed workstation seat and also provides the capability for portable computing. A portable seat supports the user who (1) needs full desktop capabilities from various locations (with ease of mobility) with seat functionality intact, (2) needs access to resources (e.g., e-mail, files) while away from the office, and (3) makes high quality presentations while on travel (e.g., connection to projection system). The unit of purchase for these service categories shall be referred to as a “seat.” The Contractor shall provide two non-classified user accounts for each portable seat procured.

Attachment 1 References:	3.1.1 through 3.1.16, 3.1.19 through 3.1.21, 3.2, 3.3.1 through 3.3.3, 3.4.1 through 3.4.6, 3.5.1, 3.5.2, 3.6.1 through 3.6.4, 4.0 through 4.11
Attachment 2 References:	1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 20A, 21, 22, 23, 24, 25, 26, 26A, 27, 28, 29, 30, 31, 33, 34, 35, 36, 36A, 36B, 36C, 36D

Item 0003 (and 0103 if option is exercised): **Embarkable Workstation Seat:**

Item 0003AA (and 0103AA if option is exercised): **Full Service Embarkable Workstation Seat:** This seat receives the same basic services and is eligible for the same optional services as Item 0001. Embarkable means that the workstation will be periodically deployed and used in an expeditionary or field environment where the workstation will be subjected to rough handling and climatic extremes. Embarkable workstation seats shall be capable of interfacing with and being reconfigured for compatibility with IT-21 shipboard networks and the Marine Corps Tactical Network (MCTN). Reconfiguration to interface with IT-21 or other non-NMCI (e.g. Disembarked) network is not the responsibility of the Contractor. Worldwide support for deployed equipment and software to meet the service level is provided by DoN. Reconfiguration for return and interface with NMCI is the responsibility of the Contractor. The unit of purchase for these service categories shall be referred to as a “seat”. The Contractor shall provide two non-classified user accounts for each embarkable workstation seat procured. The NMCI Contractor shall supply spares to facilitate deployed operations. The Contractor shall use as a basis for evaluation of required spares and ILS support the projected equipment as described in Attachment 1.

Attachment 1 References:	3.1.1 through 3.1.16, 3.1.19 through 3.1.21, 3.2, 3.3.1 through 3.3.3, 3.4.1 through 3.4.6, 3.5.1 through 3.5.2, 3.6.1 through 3.6.4, 4.0 through 4.11
Attachment 2 References:	1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20A, 21, 22, 23, 24, 25, 26, 26A, 27, 28, 29, 30, 31, 33, 34, 35, 36, 36A,

	36B, 36C, 36D
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**Item 0003AB (and 0103AB if option is exercised): Limited Service Embarkable**

**Workstation Seat:** This service allows a workstation not provided by the Contractor to have direct, local connectivity to NMCI in accordance with the security requirements and policy of this contract and receive all basic data services. The workstation hardware (desktop or portable) associated with this seat type is acquired, maintained, and refreshed by the Government and is intended for operating forces and transient users only. The Contractor shall provide the full range of help desk support for this seat with this exception: if the Contractor determines that the cause of a reported problem is the result of workstation hardware or non-standard software failure, the help desk will close this trouble ticket and refer the user to the appropriate Government representative for resolution. The appropriate Government representative is determined as follows. For Navy hardware, the equipment data plate or the equipment users manual will identify the In Service Engineering Agent (ISEA) for that specific device. For USMC hardware, the equipment data plate, equipment users manual or Users Logistic Support Summary 003099 -15 Jan 2000 (PCN 132-106240-00) will identify the hardware support activity for that specific device. For software problems, the software application opening screen, Help information or software documentation will identify the Service designated Software Support Activity (SSA) for that specific software application. The Contractor shall provide two non-classified accounts for each seat procured.

Attachment 1 References:	3.1.1 through 3.1.16, 3.1.19 through 3.1.21, 3.2, 3.3.1 through 3.3.3, 3.4.1 through 3.4.6, 3.5.1, 3.5.2, 3.6.1 through 3.6.4, , 4.0 through 4.11
Attachment 2 References:	2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20A, 21, 22, 23, 24, 25, 26, 26A, 2728, 29, 30, 31, 33, 34, 35, 36, 36A, 36B

**Item 0004 (and 0104 if option is exercised): Embarkable Portable Seat**

**Item 0004AA (and 0104AA if option is exercised): Full Service Embarkable Portable Seat:**

This seat meets all the requirements for a portable seat. Embarkable means that the workstation will be periodically deployed and used in an expeditionary or field environment where the workstation will be subjected to rough handling and climatic extremes. Embarkable portable seats shall be capable of interfacing with and being reconfigured for compatibility with IT-21 shipboard networks and MCTN. Reconfiguration to interface with IT-21 or other non-NMCI (e.g. Disembarked) network is not the responsibility of the Contractor. Reconfiguration for return and interface with NMCI is the responsibility of the offeror. NMCI services are provided to this SDP only when workstation is in garrison environment. The unit of purchase for these service categories shall referred to as a "seat." The Contractor shall provide two non-classified accounts for each Embarkable Portable seat procured.

Attachment 1 References:	3.1.1 through 3.1.16, 3.1.19 through 3.1.21, 3.2, 3.3.1 through 3.3.3, 3.4.1 through 3.4.6, 3.5.1, 3.5.2, 3.6.1 through 3.6.4, 3.7, 4.0 through 4.11
Attachment 2 References:	1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20A, 21, 22, 23, 24, 25, 26, 26A, 27, 28, 29, 30, 31, 33, 34, 35, 36, 36A, 36B, 36C, 36D

**Item 0004AB (and 0004AB if option is exercised): Limited Service Embarkable Portable Seat:** This seat allows a workstation not provided by the Contractor to have direct, local

connectivity to NMCI in accordance with the security requirements and policy of this contract and receive all basic data services. The workstation hardware (desktop or portable) associated with this seat type is acquired, maintained, and refreshed by the Government and is intended for operating forces and transient users only. The Contractor shall provide the full range of help desk support for this seat with this exception: if the Contractor determines that the cause of a reported problem is the result of workstation hardware or non-standard software failure, the help desk will close this trouble ticket and refer the user to the appropriate government representative for resolution. The appropriate Government representative is determined as follows. For Navy hardware, the equipment data plate or the equipment users manual will identify the In Service Engineering Agent (ISEA) for that specific device. For USMC hardware, the equipment data plate, equipment users manual or Users Logistic Support Summary 003099 -15 Jan 2000 (PCN 132-106240-00) will identify the hardware support activity for that specific device. For software problems, the software application opening screen, Help information or software documentation will identify the Service designated Software Support Activity (SSA) for that specific software application. The Contractor shall provide two non-classified accounts for each seat procured.

Attachment 1 References:	3.1.1 through 3.1.16, 3.1.19 through 3.1.21, 3.2, 3.3.1 through 3.3.3, 3.4.1 through 3.4.6, 3.5.1, 3.5.2, 3.6.1 through 3.6.4, , 4.0 through 4.11
Attachment 2 References:	2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20A, 21, 22, 23, 24, 25, 26, 26A, 27, 28, 29, 30, 31, 33, 34, 35, 36, 36A, 36B

Item 0005 (and 0105 if option is exercised): **Hybrid Seat:** A hybrid seat provides access to NMCI with proper authentication and access control for remote users with workstations not provided by the Contractor. The services provided will enable the user to receive and process information on the NMCI with varying levels of information portability. The basic hybrid seat provides information services that can be accessed in an on-line session and the enhanced hybrid seat provides information services that can be accessed both on and off-line as described below. The security requirements for both are identical and the contractor is only responsible for SLA performance inside the NMCI infrastructure Point of Presence (POP). The unit of purchase for these service categories shall be referred to as a "seat." The Contractor shall provide one non-classified account with each hybrid seat procured.

Item 0005AA (and 0105AA if option is exercised): **Basic Hybrid Seat:** A basic hybrid seat provides access to NMCI with proper authentication and access control for remote users with workstations not provided by the Contractor. This provides on-line terminal emulation of the following basic services: email services, directory services, NMCI access, PKI integration, non-classified remote access services, and help desk services restricted to the basic services listed above. The contractor is only responsible for SLA performance inside the NMCI infrastructure Point of Presence (POP). The unit of purchase for these service categories shall be referred to as a "seat." The Contractor shall provide one non-classified account with each hybrid seat procured. . If the Contractor determines that the cause of a reported problem is the result of workstation hardware incompatibility, hardware failure, or non-standard software failure, the help desk will close this trouble ticket and refer the user to the appropriate government representative for resolution. Basic hybrid seats shall access the NMCI via dial-up, Digital Subscriber Line (DSL), cable modem, etc. Basic hybrid seats will be configured based upon the following security parameters, which constitute the minimum security load. Basic hybrid seats will be configured with the latest operating system security patches, anti-virus software with the most current virus signature profiles and smart card reader (provided as GFE) in accordance

with attachment 8. Basic hybrid seats shall be considered untrusted entities and shall connect to the NMCI at boundary 1. Strong Identification and Authentication (I&A) and access control mechanisms shall be implemented for basic hybrid users.

Attachment 1 References:	3.1.2 through 3.1.5, 3.1.8 through 3.1.12, 3.1.14 through 3.1.16, 3.1.19 through 3.1.21, 3.2, 3.3.1 through 3.3.3, 3.4.1 through 3.4.5, 3.5.1, 3.5.2, 3.6.1 through 3.6.4, 4.0 through 4.11
Attachment 2 References:	2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 16, 17, 18, 19, 20A, 21, 22, 23, 24, 25, 26, 26A, 27, 28, 29, 30, 31, 33, 34, 36, 36A, 36B, 36D

**Item 0005AB (and 0105AB if option is exercised): Enhanced Hybrid Seat:** An enhanced hybrid seat provides access to NMCI with proper authentication and access control for remote users with workstations not provided by the Contractor. This item includes item 0006 (and 0106 if option is exercised). This seat gets full access to NMCI services. The contractor is only responsible for SLA performance inside the NMCI infrastructure Point of Presence (POP). The unit of purchase for these service categories shall be referred to as a "seat." The Contractor shall provide one non-classified account with each hybrid seat procured. For the enhanced hybrid seat, the contractor shall provide for an original configuration load and test of the NMCI standard software load. To be considered a trusted NMCI user and connect within boundary 1, enhanced hybrid seats shall be configured with the standard NMCI software load. A smart card reader (in accordance with attachment 8) will be provided as GFE. The workstation hardware (desktop or portable) associated with this seat type is acquired, maintained, and refreshed by the Government. The Contractor shall provide help desk support for the accessed services provided from the NMCI and the NMCI infrastructure except for the government furnished and maintained client device. If the Contractor determines that the cause of a reported problem is the result of workstation hardware incompatibility, hardware failure, or non-standard software failure, the help desk will close this trouble ticket and refer the user to the appropriate government representative for resolution. The appropriate Government representative is determined as follows. For Navy hardware, the equipment data plate or the equipment users manual will identify the In Service Engineering Agent (ISEA) for that specific device. For USMC hardware, the equipment data plate, equipment users manual or Users Logistic Support Summary 003099 -15 Jan 2000 (PCN 132-106240-00) will identify the hardware support activity for that specific device. For software problems, the software application opening screen, Help information or software documentation will identify the Service designated Software Support Activity (SSA) for that specific software application.

Attachment 1 References:	3.1.1 through 3.1.5, 3.1.8 through 3.1.12, 3.1.14 through 3.1.16, 3.1.19 through 3.1.21, 3.2, 3.3.1 through 3.3.3, 3.4.1 through 3.4.5, 3.5.1, 3.5.2, 3.6.1, 3.6.3, 4.1 through 4.11
Attachment 2 References:	2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 16, 17, 18, 19, 20A, 21, 22, 23, 24, 25, 26A, 27, 28, 29, 30, 31, 33, 34, 35, 36, 36A, 36B, 36D

**Item 0006 (and 0106 if option is exercised): Wall Plug Service:** This service provides access to the NMCI in the form of a wall plug. This service allows an NMCI data seat user to have direct, local connectivity to NMCI in accordance with the security requirements and policy of this contract. This service is an additional Local Area Network (LAN) drop beyond those provided

with data seat orders. This service is an extension of the NMCI infrastructure. This service from the wall plug can be used by all NMCI ordered seats except a basic hybrid seat.

Attachment 1 References:	3.1.8, 3.1.15, 3.2, 3.6.1 through 3.6.4, 3.5.1 through 3.5.2
Attachment 2 References:	10, 23

Item 0007 (and 0107 if option is exercised): **High-End Seat Upgrade Package:** A high-end seat upgrade package adds enhanced performance (i.e.; high bandwidth and CPU-intensive processing) beyond the requirements of a base seat. This package is not available for hybrid seats or wall plug services. **Optional** for Items 0001-0004 (and 0101 through 0104, if option is exercised).

Attachment 1 References:	Basic services as provided for applicable data seat
Attachment 2 References:	Level (2) service for applicable data seat service levels, 20A

Item 0008 (and 0108 if option is exercised): **Mission-Critical Seat Upgrade Package:** A mission-critical seat upgrade package adds enhanced availability, reduced network loading, greater maintenance responsiveness, as well as a greater level of real-time operations for a significant number of information producing and collecting systems beyond the requirements of a base seat. This package is not available for hybrid seats or wall plug services. The level of service required for the Mission-Critical Seat Upgrade Package is specified in Attachment 2. **Optional** for Items 0001-0004 (and 0101 through 0104, if option is exercised).

Attachment 1 References:	Basic services as provided for applicable data seat
Attachment 2 References:	Level (3) service for applicable data seat service levels, 32A, 20A

Item 0009 (and 0109 if option is exercised): **Classified Connectivity Upgrade Package:** This service provides classified connectivity consistent with Attachments 4 and 5, and shall include any necessary security upgrades (including SIPRNET, if applicable) to support a secure workstation environment. The Contractor shall provide five classified accounts for each classified upgrade packages procured. **Optional** for Items 0001-0004 (and 0101 through 0104, if option is exercised).

Attachment 1 References:	Basic services as provided for applicable data seat, 4.6.2
Attachment 2 References:	Same as applicable data seat service levels, 35

Item 0010 (and 0110 if option is exercised): **Fixed Voice Services:**

Item 0010AA (and 0110AA if option is exercised): **Basic Voice Seat:** Non-secured voice communications provides the user access to voice communications with basic services. A fixed voice service seat includes instruments, infrastructure, and other services to provide non-secured telephone-related connectivity within and external to NMCI. ). The basic capabilities/services are call forwarding, call transfer, call hold, call waiting, call pickup, and hunt group. The contractor shall provide for connecting users to voice communication service. The basic voice seat price includes unlimited local PSTN access and unlimited calls to NMCI voice seats. The contractor shall prepare billing statements for tolls associated with use of FTS-2001 or commercial long distance charges for calls to non-NMCI users. The government shall be responsible for certifying bills, resolving billing disputes and collection of payments. Basic voice seat capabilities include interoperability with Defense Switched Network (DSN), Federal Telecommunications System (FTS) 2001, Government Emergency Telecommunications System (GETS) and unlimited usage of local Public Switched Telephone Network (PSTN). The

DSN interoperability of the Basic Voice Seat shall also support Multi Level Precedence and Preemption (MLPP) capability, and end user MLPP interactions shall be provided in accordance with DISA JIEO technical report 8249 (GSCR) paragraph 2.2.1 and subparagraphs. The contractor shall provide operator services to include directory assistance (i.e., 411), enhanced 911 capabilities, and 24-hour operator-assisted calling including DISN OCONUS calls.

Attachment 1 References:	2.2, 2.2.1a, 2.2.3, 3.1.3, 3.1.8, 3.1.13 through 3.1.15, 3.2, 3.5.1, 3.5.2, 3.6.1 through 3.6.4, 4.0, through 4.11
Attachment 2 References:	Level (1) Service: 2, 3, 4, 6, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20A, 21, 22, 22A, 23, 24, 25, 26, 26A, 27, 33, 34, 35, 36, 36A, 36B

Item 0010AB (and 0110AB if option is exercised): **Business Voice Upgrade Package** : A business voice seat upgrade adds a premium voice terminal with the following additional features beyond the requirements of a basic voice seat: voice mail, caller-id, and conference calling (minimum 3 party conference). **Optional** for Item 0010AA.

Attachment 1 References:	2.2, 2.2.1b, 3.1.3, 3.1.8, 3.1.13 through 3.1.15, 3.2, 3.5.1, 3.5.2, 3.6.1 through 3.6.4, 4.0 through 4.11
Attachment 2 References:	Level (2) Service: 2, 3, 4, 6, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20A, 21, 22, 22A, 23, 24, 25, 26, 26A, 27, 33, 34, 35, 36, 36A, 36B

Item 0010AC (and 0110AC if option is exercised): **Mission Critical Voice Seat Upgrade Package**: A mission critical voice seat upgrade package increases availability of service. **Optional** for Item 0010AA.

Attachment 1 References:	2.2, 2.2.1c, 3.1.3, 3.1.8, 3.1.13 through 3.1.15, 3.2, 3.5.1, 3.5.2, 3.6.1 through 3.6.4, 4.0 through 4.11
Attachment 2 References:	Level (3) Service: 2, 3, 4, 6, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20A, 21, 22, 22A, 23, 24, 25, 26, 26A, 27, 33, 34, 35, 36, 36A, 36B

Item 0010AD (and 0110AD if option is exercised): **Pier Voice Line**: A pier voice line provides voice connectivity for ships pierside at designated Navy and Marine Corps facilities. The contractor provided connectivity shall interface with government provided ship's telephones or telephone equipment. The pier voice line provides the same NMCI capabilities/services that are associated with the Basic Voice Seat, and the pier voice line price includes unlimited local PSTN access and unlimited calls to NMCI voice seats. The contractor shall provide the capability to provision pier voice lines within 24 hours (normal) or 1 hour (emergency). The contractor shall prepare billing statements for tolls associated with use of FTS-2001 or commercial long distance charges for calls to non-NMCI users. The government shall be responsible for certifying bills, resolving billing disputes and collection of payments.

Attachment 1 References:	2.2, 2.2.1d, 2.2.3, 3.1.3, 3.1.8, 3.1.13 through 3.1.15, 3.2, 3.5.1, 3.5.2, 3.6.1 through 3.6.4, 4.0 through 4.11
Attachment 2 References:	Level (3) Service: 2, 3, 4, 6, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20A, 21, 22, 22A, 23, 24, 25, 26, 26A, 27, 33, 34, 35, 36, 36A, 36B

Item 0010AE (and 0110AE if option is exercised): **Pier Voice Trunk:** A pier voice trunk (DS0s bundled into DS1s) provides voice connectivity for PBX-equipped ships pierside at designated Navy and Marine Corps facilities. The contractor provided connectivity shall interface with government provided ship's telephone equipment. The pier voice trunk provides the same NMCI capabilities/services that are associated with the Basic Voice Seat, and the pier voice trunk price includes unlimited local PSTN access and unlimited calls to NMCI voice seats. The contractor shall provide the capability to provision pier voice trunks within 24 hours (normal) or 1 hour (emergency). The contractor shall prepare billing statements for tolls associated with use of FTS-2001 or commercial long distance charges for calls to non-NMCI users. The government shall be responsible for certifying bills, resolving billing disputes and collection of payments.

Attachment 1 References:	2.2, 2.2.1e, 2.2.3, 3.1.3, 3.1.8, 3.1.13 through 3.1.15, 3.2, 3.5.1, 3.5.2, 3.6.1 through 3.6.4, 4.0 through 4.11
Attachment 2 References:	Level (3) Service: 2, 3, 4, 6, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20A, 21, 22, 22A, 23, 24, 25, 26, 26A, 27, 33, 34, 35, 36, 36A, 36B

Item 0010AF (and 0110AF if option is exercised): **Commercial Voice Seat:** Commercial voice seat provides voice services to commercial entities, family housing and unofficial users located on Navy and Marine Corps installations where ready connection to the Public Switched Telecommunications Network (PSTN) is not available. The provision and cost of this service shall be in accordance with DoD policy for class B service defined in DoD Directive 7220.9-M. The NMCI Commercial Voice seat only provides unlimited calls within the local calling area. The contractor shall also provide the Commercial voice seat with access to commercial long distance carriers.

Attachment 1 References:	2.2, 2.2.1f, 3.1.3, 3.1.8, 3.1.13 through 3.1.15, 3.2, 3.5.1, 3.5.2, 3.6.1 through 3.6.4, 4.0 through 4.11
Attachment 2 References:	Level (1) Service: 2, 3, 4, 6, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20A, 21, 22, 22A, 23, 24, 25, 26, 26A, 27, 33, 34, 35, 36, 36A, 36B

Item 0010AG (and 0110AG if option is exercised): **Commercial Voice Connectivity:** Commercial Voice connectivity provides the physical cable plant between the local telephone company's demarcation point on a naval base and the telephone jack located in on-base commercial entities, family housing and unofficial users premises. At facilities equipped with a new infrastructure, sufficient external cable plant shall be provided from the local telephone company's demarcation point on a naval base to each individual entity to cover its voice service requirements.

Attachment 1 References:	2.2, 2.2.1g, 3.1.3, 3.1.8, 3.1.13 through 3.1.15, 3.2, 3.5.1, 3.5.2, 3.6.1 through 3.6.4, 4.0 through 4.11
Attachment 2 References:	Level (1) Service: 2, 3, 4, 6, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20A, 21, 22, 22A, 23, 24, 25, 26, 26A, 27, 33, 34, 35, 36, 36A, 36B

Item 0011 (and 0111 if option is exercised): **Secure Voice Seat:** A secure voice seat provides

user access to voice communications services which includes National Security Agency (NSA) approved instruments (STU, STE, etc.), infrastructure, and other services to provide secure telephone-related connectivity within and external to NMCI.

Attachment 1 References:	3.1.3, 3.1.8, 3.1.13 through 3.1.15, 3.2, 3.5.1, 3.5.2, 3.6.1 through 3.6.4, 4.0 through 4.11
Attachment 2 References:	2, 3, 4, 6, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20A, 21, 22, 22A, 23, 24, 25, 26, 26A, 27, 33, 34, 35, 36, 36A, 36B

Item 0012 (and 0112 if option is exercised): **Mobile Phone Seat:** A mobile phone seat provides the user mobile (analog/digital) non-secured voice communications within the NMCI service area. The calling plan provides a minimum of 500 minutes per month of airtime with no roaming or long distance charges.

Attachment 1 References:	3.1.8, 3.1.15, 3.1.18, 3.2, 3.5.1, 3.5.2, 3.6.1 through 3.6.4
Attachment 2 References:	17, 23

Item 0013 (and 0113 if option is exercised): **Personal Paging Service Seat:** This service provides non-secured voice and text messages throughout the NMCI service area.

Attachment 1 References:	3.1.15, 3.1.18, 3.2, 3.5.1, 3.5.2, 3.6.1 through 3.6.4
Attachment 2 References:	17, 23

Item 0014 (and 0114 if option is exercised): **Fixed Video Teleconference (VTC) Seat:** In accordance with issued orders, a fixed VTC seat provides audio-visual services in existing dedicated facilities where users can initiate and participate in live video teleconferences. Fixed VTC seats include infrastructure and required services to provide fixed video teleconference connectivity within and external to NMCI. These services consist of high bandwidth communications, point-to-point, point-to-multipoint and continuous transmission that allows participants to conduct visually interactive electronic meetings between one or more distant locations using video cameras, monitors, and audio and video communications, thus enabling participants to see and hear each other as if they were in the same room. This service provides interoperability with other VTC systems using H.320 and H.323 standards. Some of the features of this service include, but are not limited to: room cameras with full area coverage, large monitors, on-screen menus, dynamic speaker technology, far end camera control, collaborative tools, VTC scheduling set up and operations, and multi-session bridging to enable VTC connectivity throughout the NMCI and with external participants, and remote diagnostics. This item will be separately priced in individual orders.

Attachment 1 References:	2.3, 3.1.3, 3.1.8, 3.1.13 through 3.1.15, 3.2, 3.5.1, 3.5.2, 3.6.1 through 3.6.4, 4.0 through 4.11
Attachment 2 References:	2, 3, 4, 6, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20A, 21, 22, 23, 24, 25, 26, 26A, 27, 33, 34, 35, 36, 36A

Item 0015 (and 0115 if option is exercised): **Moveable VTC Seat:** A moveable VTC seat provides audio-visual equipment that allows user access to selected VTC services, offering mobility and easy relocation. Users can initiate and participate in live video teleconferences. Moveable VTC seats include telecommunications infrastructure and required services to provide movable video teleconference connectivity within and external to NMCI. These services consist of high bandwidth communications, point-to-point and point-to-multipoint that allows participants

to see and hear each other as if they were in the same room. Multi-point VTC includes audio-based switching, chair/director control, and continuous presence. Service provides interoperability with other VTC systems using H.320 and H.323 standards and speed matching. Some of the features of this service include, but are not limited to: room cameras with full area coverage, large monitors, on-screen menus, dynamic speaker technology, far end camera control, remote diagnostics, T.120 compliant collaborative tools, VTC scheduling, set-up, and operations, and multi-session bridging to enable VTC connectivity throughout NMCI and with external participants.

Item 0015AA (and 0115AA if option is exercised): **Basic Moveable VTC service:** Provides 128 Kbps/15 fps quality video, supporting bandwidth, and standard features to include VTC scheduling set up and operations, multi-point bridging, and reliability of service.

Attachment 1 References:	2.3, 3.1.3, 3.1.8, 3.1.13 through 3.1.15, 3.2, 3.5.1, 3.5.2, 3.6.1 through 3.6.4, 4.0 through 4.11
Attachment 2 References:	Level (1) Service: 2, 3, 4, 6, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20A, 21, 22, 23, 24, 25, 26, 26A, 27, 33, 34, 35, 36, 36A, 36B

Item 0015AB (and 0115AB if option is exercised): **High End Moveable VTC Service:** Provides 384 Kbps/30 fps quality video, supporting bandwidth, and standard features to include VTC scheduling set up and operations, multi-point bridging, and reliability of service.

Attachment 1 References:	2.3, 3.1.3, 3.1.8, 3.1.13 through 3.1.15, 3.2, 3.5.1, 3.5.2, 3.6.1 through 3.6.4, 4.0 through 4.11
Attachment 2 References:	Level (2) Service: 2, 3, 4, 6, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20A, 21, 22, 23, 24, 25, 26, 26A, 27, 33, 34, 35, 36, 36A, 36B

Item 0015AC (and 0115AC if option is exercised): **Mission Critical Moveable VTC Service:** Provides video, supporting bandwidth, and enhanced features to include VTC scheduling set up and operations, and increased reliability of multi-point bridging and service. May be ordered as high availability upgrade to Items 0015, 0015AA, 0015AB, or 0015AD.

Attachment 1 References:	2.3, 3.1.3, 3.1.8, 3.1.13 through 3.1.15, 3.2, 3.5.1, 3.5.2, 3.6.1 through 3.6.4, 4.0 through 4.11
Attachment 2 References:	Level (3) Service: 2, 3, 4, 6, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20A, 21, 22, 23, 24, 25, 26, 26A, 27, 33, 34, 35, 36, 36A, 36B

Item 0015AD (and 0115AD if option is exercised): **Premium Moveable VTC Service:** Provides 768 Kbps/30 fps quality video, supporting bandwidth, and standard features to include VTC scheduling set up and operations, multi-point bridging, and reliability of service.

Attachment 1 References:	2.3, 3.1.3, 3.1.8, 3.1.13 through 3.1.15, 3.2, 3.5.1 through 3.5.2, 3.6.1 through 3.6.4, 4.0 through 4.11
Attachment 2 References:	Level (2) Service: 2, 3, 4, 6, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20A, 21, 22, 23, 24, 25, 26, 26A, 27, 33, 34, 35, 36, 36A, 36B

Item 0016 (and 0116 if option is exercised): **Additional Shared File Services:** File share services, in excess of the amount provided as a part of the basic NMCI services, allow the user to store and retrieve files on shared, controlled access storage media (unit = 10 gigabytes of file storage). This includes but is not limited to access controls, back up, and recovery. Not

available for hybrid seats or wall plug services. Unit price=10 GB/month. **Optional** for Items 0001 through 0004 (and 0101 through 0104, if option is exercised).

Attachment 1 References:	2.5.2
Attachment 2 References:	Level (1) Service: 5

Item 0017 (and 0117 if option is exercised): **Internet Access for Mobile Phone Seat:** Internet access for a mobile phone provides a point of entry for the Internet, with interoperability with other DoN and DoD Service Delivery Points (SDPs). In some instances, this point of entry may be a wall plate. **Optional** for Item 0012 (and Item 0112, if option is exercised) .

Attachment 1 References:	Basic services as provided for applicable seat
Attachment 2 References:	Same as applicable seat service levels

Item 0018 (and 0118 if option is exercised): **Classified Remote Access Service (CRAS):** Classified remote access service allows users to access the NMCI data network from remote locations using a secure dial-up capability, including NSA-approved hardware required to connect user NMCI data networks via RAS. User shall have also ordered Item 0009. **Optional** for Items 0002 and 0004 (and 0101 through 0104, if option is exercised).

Attachment 1 References:	Basic services as provided for applicable seat
Attachment 2 References:	Same as applicable seat service levels, 19

Item 0019 (and 0119 if option is exercised): **Classified/Non-classified Selectable Connectivity:** Classified/non-classified selectable connectivity allows the user to move between classified and non-classified networks and configurations while on the same workstation, provided that Item 0009 has been ordered and Government approved components/system configurations have been used for that workstation. Government approved components/system configurations are those that have been developed in accordance with the requirements established by ASD/C3I memorandum on Secret and Below Interoperability (SABI) dated 20 March 1997. This item will be separately priced in individual orders. **Optional** for Items 0001 through 0004 (and 0101 through 0104, if option is exercised).

Attachment 1 References:	Basic services as provided for applicable seat
Attachment 2 References:	Same as applicable seat service levels

Item 0020 (and 0120 if option is exercised): **Data Seat Voice Communications Upgrade:** Voice communication provides for non-secured voice calls to other users inside NMCI domain and users external to the domain, using the data seat. **Optional** for Items 0001 and 0004 (and 0101 through 0104, if option is exercised).

Attachment 1 References:	Basic services as provided for applicable seat
Attachment 2 References:	Same as applicable seat service levels, 22, 22A

Item 0021 (and 0121 if option is exercised): **Defense Messaging System Data Seat Upgrade:** This is an upgrade to the basic data seats to support Defense Messaging System requirements. **Optional** for Items 0001 through 0004 (and 0101 through 0104, if option is exercised).

Attachment 1 References:	Basic services as provided for applicable seat
Attachment 2 References:	Same as applicable seat service levels, 20A

Item 0022 (and 0122 if option is exercised): Desktop VTC (HW/SW): This service allows users to participate in live video teleconferences from the desktop. This service is interoperable with other VTC systems using H.320 and H.323 standards. **Optional** for Items 0001 through 0004 (and 0101 through 0104, if option is exercised).

Item 0022AA (and 0122AA if option is exercised): Basic Desktop VTC: Provides 15 frames per second quality video, interface to other teleconferencing services, and standard features including multipoint bridging.

Attachment 1 References:	Basic services as provided for applicable seat, 2.3, 3.1.3, 3.1.8, 3.1.14, 3.1.15, 3.2, 3.5.1, 3.5.2, 3.6.1 through 3.6.4, 4.0 through 4.11
Attachment 2 References:	Same as applicable seat service levels, 2, 3, 4, 6, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20A, 21, 22, 23, 24, 25, 26, 26A, 27, 33, 34, 35, 36, 36A, 36B,

Item 0022AB (and 0122AB if option is exercised): High End Desktop VTC: Provides 30 frames per second enhanced quality video, interface to other teleconferencing services, and standard features including multipoint bridging.

Attachment 1 References:	Basic services as provided for applicable seat, 2.3, 3.1.3, 3.1.8, 3.1.14, 3.1.15, 3.2, 3.5.1, 3.5.2, 3.6.1 through 3.6.4, 4.0 through 4.11
Attachment 2 References:	Same as applicable seat service levels, 2, 3, 4, 6, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20A, 21, 22, 23, 24, 25, 26, 26A, 27, 33, 34, 35, 36, 36A, 36B,

Item 0023 (and 0123 if option is exercised): Optional User Capabilities (commercial off the shelf (COTS) Catalog): These capabilities provide COTS software or hardware peripherals associated with data, voice, and video seats, to support requirements beyond the basic services. These options are available through a catalog. The Contractor shall provide a catalog of hardware and software for specialized tasks. Software options shall be pre-integrated and available for immediate access when ordered. All items in the catalog shall be integrated and interoperate with all basic and optional services. Integrated services shall include maintenance, upgrades, initial training and access to the help desk. The Help Desk shall support these optional services and hardware. Addition and removal of items from the catalog shall be upon the approval of the Contracting Officer. Items to be included in this catalog shall include but is not limited to: docking stations/port replicators, personal desktop computers, laptops, printers, project management software, copiers, scanners, facsimile machines, Personal Digital Assistants (PDAs), automated control sensors, collaborative services and planning, workflow management, multi line telephones, printer toner cartridges, and portable workstation wireless dial-in. Additionally, COTS software not provided as standard office automation may be available through the catalog. Consumable items are not included in the scope of this contract (except for printer toner cartridges, if ordered under this item). **Optional** for Items 0001 through 0004, 0010 through 0015 (and 0101 through 0104, 0110 through 0115, if option is exercised).

Item 0024 (and 0124 if option is exercised): Additional Non-classified Account: An additional non-classified account provides a user account in addition to those provided with the data seat(s). This service is not available for hybrid seats or wall plug services. **Optional** for

Items 0001 through 0004 (and 0101 through 0104, if option is exercised).

Attachment 1 References:	2.5.2
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Item 0025 (and 0125 if option is exercised): **Additional Classified Account:** An additional classified account provides a user account in addition to those provided with the data seat(s). This service is not available for hybrid seats or wall plug services. **Optional** for Items 0001 through 0004 (and 0101 through 0104, if option is exercised).

Attachment 1 References:	Basic services as provided for data seat; 2.5.2
Attachment 2 References:	Same as applicable seat service levels

Item 0026 (and 0126 if option is exercised): **Additional Moves, Adds, and Changes (MAC) (See Note B):** The contractor shall provide services to perform *user requested* system hardware and software de-installation, move and re-installation, and change at a level over and above that provided under basic seat services. However, changes effected pursuant to section 6.16, entitled "Technology Improvements and Refresh" shall not be considered MACs under this item. The unit of order is a lot of 1000 transactions. This service is not available for hybrid seats or wall plug services. This price is based on the assumption that moves are within NMCI infrastructure aggregated at the NMCI enterprise level. **Optional** for Items 0001 through 0004, 0010 through 0015 (and 0101 through 0104, 0110 through 0115, if option is exercised).

Attachment 1 References:	2.5.2
Attachment 2 References:	15

Item 0027 (and 0127 if option is exercised): **Application Server Connectivity:** Application server connectivity is a service that provides NMCI connectivity to legacy application servers for Navy and Marine Corps organizational, operational, and functional applications to meet mission requirements. This service shall meet peak network loading requirements of users for replication, but does not include server and database maintenance, and administration.

This item covers connectivity for application servers above and beyond the legacy server applications included as a part of the NMCI basic services and provides NMCI connectivity to applications servers that are added to the network after baseline services are established.

**Standard Application Server Connectivity Service:** Provides connectivity within a backbone. Provides a standard level of availability, network loading, and maintenance responsiveness:

Item 0027AA (and 0127AA if option is exercised): **Standard Low Bandwidth Application**

Attachment 1 References:	2.5.2
Attachment 2 References:	32, 32A

Item 0027AB (and 0127AB if option is exercised): **Standard Medium Bandwidth Application**

Attachment 1 References:	2.5.2
Attachment 2 References:	32, 32A

Item 0027AC (and 0127AC if option is exercised): **Standard High Bandwidth Application**

Attachment 1 References:	2.5.2
Attachment 2 References:	32, 32A

**Mission Critical Application Server Connectivity Service:** Provides connectivity between an application server and the network backbone of the local supporting backbone. Provides an increased level of availability, reduced network loading and greater maintenance responsiveness:

Item 0027AD (and 0127AD if option is exercised): **Mission Critical Low Bandwidth Application**

Attachment 1 References:	2.5.2
Attachment 2 References:	32, 32A

Item 0027AE (and 0127AE if option is exercised): **Mission Critical Medium Bandwidth Application**

Attachment 1 References:	2.5.2
Attachment 2 References:	32, 32A

Item 0027AF (and 0127AF if option is exercised): **Mission Critical High Bandwidth Application**

Attachment 1 References:	2.5.2
Attachment 2 References:	32, 32A

Item 0028 (and 0128 if option is exercised): **Data Warehousing:** Data warehousing services shall be in accordance with DoN and DoD policy, standards, and architecture regarding data, data storage, and data retrieval, including use of COTS tools. This item will be separately priced in individual orders.

Item 0029 (and 0129 if option is exercised): **Legacy Systems Support:** Legacy systems support provides initial integration services for emerging operational and functional systems to enable them to run on NMCI. Legacy system support can also provide additional services beyond basic integration. These additional services provide a range of options that include, but are not limited to, contractor hosting of applications, operations and maintenance support, database management, and training, if ordered. This service may include participation of the contractor in business process re-engineering activities. Actions shall maintain all security procedures as provided in Attachment 4. This item will be separately priced in individual orders, and can be applied to legacy systems that have been integrated to run on NMCI as part of basic service during initial NMCI implementation.

Attachment 1 Reference:	3.1.12
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Item 0030 (and 0130 if option is exercised): **Network Operations Display:** Network operations display provides authorized mission critical users real-time status of the network assets allocated to them for mission support. This service includes status of both classified and non-classified networks, as required.

Attachment 1 Reference:	3.4.2
Attachment 2 References:	32A

Item 0031 (and 0131 if option is exercised): **Military Personnel Core Competency Development (Sea-Shore Rotation and Operating Forces/Supporting Establishment Rotations) (See Note B)**: Military Personnel Core Competency Development is a service opportunity provided at major fleet concentration areas assigning contractor workload to trained, experienced military IT professionals. It is estimated that between 50 and 3000 service members may be available at any given time, and the Government will order this option in lots of 50. One lot of 50 will be used for evaluation purposes only. The contractor shall provide training and tasking, the object of which is to develop core competencies in accordance with the Requirements for NMCI, Military Personnel Core Competency Development Sea Shore Rotation and Operating Forces/Supporting Establishment Rotations, Attachment 3. Any travel costs associated with contractor-sponsored training will be included in the total price of this Item. (Training requested by the Government over and above that provided in this Item will be paid for by the Government.)

Attachment 2 References:	37
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Item 0032 (and 0132 if option is exercised): **External Network Interface**: The external network interface provides for the interface of networks to the NMCI including required security and access controls. This item will be separately priced in individual orders.

Attachment 1 Reference:	2.6, 3.3.1, 3.3.2, 3.4.3, 3.6.1, 3.6.2, 4.0
Attachment 2 References:	24, 25, 27, 30, 33, 34, 35, 36, 36A, 36B

Item 0033 (and 0133 if option is exercised): **Information Technology/Knowledge Management Retraining Program**: The Knowledge Management Retraining Program provides training for those Government employees/service members who are displaced and wish to transition to other available Information Technology positions. This item will be separately priced in individual orders.

Item 0034 (and 0134 if option is exercised): **Satellite Terminal Support**: Satellite terminal support is a service provided by the Contractor for the extension of NMCI via commercial satellite communications, terminating with either Contractor-provided mobile earth stations or USMC mobile earth stations. The service shall be separately priced in individual orders.

Item 0035 (and 0135 if option is exercised): **Incentives**: Priced as determined by Incentive Review Board.

Item 0036 (and 0136 if option is exercised): **OCONUS Service**: OCONUS Service is the delivery of all NMCI services to DoN locations **outside** the continental United States, Alaska, Hawaii, Guantanamo Bay (Cuba), Roosevelt Roads (Puerto Rico), and Keflavik (Iceland). The Service Level Agreements may be subject to the constraints and restraints described in the Host Nation Agreements and Status of Forces Agreements currently in effect at each location and will be negotiated individually.

Item 0036AA (and 0136AA if option is exercised): **Marine Corps Units in Japan**: Implementation of NMCI services to support the OCONUS sites will require special

consideration of standing treaties and agreements between the host nation (Japan) and the United States. These include, but are not limited to: The Treaty of Mutual Cooperation and Security between Japan and the United States of America; the Agreement under Article VI of the Treaty of Mutual Cooperation and Security between Japan and the United States of America, Regarding Facilities and Areas and the Status of United States Armed Forces in Japan (Status of Forces Agreement); and other related agreements including the Special Measures Agreement and the Facilities Improvement Program.

**Okinawa, Japan:** Marine Corps units located on Okinawa, Japan are centered in seven primary Camps. These include Camps Kinser, Foster, Butler, Courtney, Hansen, Schwab and Marine Corps Air Station, Futenma (relocation of MCAS Futenma is currently under negotiation - details are not currently available). All camps and the air station are considered part of Marine Corps Base, Camp Smedley D. Butler. The Marine Corps has approximately 6700 network users in Okinawa. Under NMCI, these requirements will be satisfied by a mix of Item 0001-0004 data seat types.

Support for Okinawa Wide Area Network (OWAN) is provided primarily by the AC/S G-6, MCB Camp Butler, who staffs and operates the Base Help Desk. The OWAN is an on-island network that provides the base-to-base backbone connectivity (routed across dedicated circuits), intra-camp switched backbones, and connectivity to the DISN POP routers at Fort Buckner, Okinawa, Japan. In addition to providing general support for the OWAN, the Base Help Desk also provides desktop, organizational server, and other network management support functions for Marine Corps Base customers.

Major subordinate commands (G-6's of III Marine Expeditionary Force, 3d Marine Division, 1st Marine Aircraft Wing, and 3d Force Service Support Group) operate organizational help desks that are responsible for desktop service, LAN, organizational server and network management support functions for operating forces stationed aboard Okinawa.

Interconnectivity between the camps (dedicated circuits) and off-island connectivity is provided by 58th Signal Battalion, Fort Buckner, Okinawa, Japan. Fort Buckner also hosts a DISA Standard Tactical Entry Point (STEP) site. Fort Buckner Technical Control and the Okinawa STEP are operated by the 58th Signal Battalion, US Army.

**Iwakuni, Japan:** The Marine Corps has approximately 500 network users stationed at aboard MCAS Iwakuni, Japan. Under NMCI, these requirements will be satisfied by a mix of Item 0001-0004 data seat types.

Support for Station Iwakuni Metropolitan Area Network (SIMAN) is provided by the S-6, MCAS Iwakuni. The SIMAN provides a mixed Nortel ATM & Cisco (7500 & 4000) routed FDDI backbone with Token-Ring and Fast Ethernet to the individual buildings as well as connectivity to the DISN POP router located at the Information Systems Management Office (ISMO), Iwakuni. The ISMO acts as the NIPRNet Node Site Coordinator for south-western mainland Japan. In addition to providing network support for the SIMAN, the ISMO provides: desktop support; organizational servers (all centrally located at the ISMO); hardware maintenance on PC's, printers and monitors; and other network management support functions for Marine Corps Air Station customers.

The ISMO is currently in the process of migrating users to an ATM and Fast Ethernet Network.

Marine Aircraft Group 12, 1st Marine Aircraft Wing (MAW) operates an organizational help desk that is responsible for desktop service and organizational servers for 1st MAW operating forces stationed aboard MCAS Iwakuni (VMFA 232, UDP squadrons, MALS-12, MWSS-171).

**Camp Fuji, Japan:** The Marine Corps has approximately 230 network users stationed at Camp Fuji, Japan. This user population represents the permanent personnel assigned to Combat Service Support Detachment 76.

As a weapons training facility, Camp Fuji has a requirement to surge network capabilities in order to support artillery firing batteries and other units that deploy there from Okinawa for live fire training. Maximum surge capability is estimated at 50 additional network connections above that required to support permanent personnel.

**Item 0037: Deferred Award:** The Contractor shall extend the validity of its entire proposal for not less than 60 months and maintain, for a period of not less than sixty (60) months, a corporate enterprise and team state of readiness, such that upon one hundred and eighty (180) days written notice from the Government, and in accordance with its original NMCI proposal, the deferred awardee is prepared and ready to supplant the efforts of the NMCI prime awardee. The deferred awardee shall report its status regarding its state of readiness to assume NMCI efforts every six months following award. The deferred awardee shall enter into an Associate Contractor Agreement with the prime NMCI Contractor in accordance with Clause 6.18 of this contract. This Item will be awarded, if at all, to the otherwise unsuccessful offeror which submitted a price for this item, and whose technical proposal together with its proposed price for this item offers the best value to the Government. The deferred award contract shall terminate upon exercise by the Government of the option for performance of NMCI services and the deferred award Contractor shall not be entitled to further payment under this Item.

## Part Two - Contract Clauses, Terms, and Conditions

### **1.0 TERM OF CONTRACT**

#### **1.1 TERM OF CONTRACT (MANDATORY)**

The Government may extend the term of this contract by exercising the option to the Contractor within five years from the contract award; provided, that the Government gives the Contractor a preliminary written notice of its intent to extend at least 180 days before the contract expires. The preliminary notice does not commit the Government to exercise the option.

The total duration of this contract, including the exercise of any options under this clause, shall not exceed eight years (including five base years and one three-year option).

#### **1.2 END OF CONTRACT TRANSITION**

In the event this contract is terminated, for convenience or cause, or upon expiration the Contractor agrees to comply with direction provided by the Contracting Officer to assist in the orderly transition of equipment, services, software, leases, etc. to the Government or a third party designated by the Government. In the event of termination or the expiration of this contract, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 180 days. These efforts shall include, but are not limited to, the following:

##### **1.2.1 TRANSITION PLAN**

The Contractor shall work with the Government, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor shall allow as many personnel as practicable to remain on the job to help the Government, or a specified third party, maintain the continuity and consistency of the services required by this contract.

##### **1.2.2 EQUIPMENT**

The Government will have the option to purchase from the Contractor all, or part of, equipment and related infrastructure being provided by the Contractor which is dedicated solely to providing services under this contract. In the event the Government so chooses, the Contractor shall transfer title to all such personal property which the Government specifies at a mutually agreed upon price which shall not exceed the net book value of such equipment. This shall include the option to assume all specified leases (assuming such leases are assumable). As part of the transition plan, the Contractor shall provide a complete listing of all such property and leases furnished under the contract. It is agreed that all such property will be provided on an "as is, where is" basis.

Specifications: The Contractor agrees to provide reasonable detailed specifications for all hardware and software needed by the Government, or specified third party, to properly provide the services required under this contract. The Contractor will also provide any licenses required to perform the services under this contract.

**Contractor Software:** The Contractor shall reasonably assist the Government in the acquisition of any Contractor software required to perform the services under this contract. This shall include any documentation being used by the Contractor to perform the services under this contract. If the Government transfers any software licenses to the Contractor, those licenses shall, upon expiration of the contract, transfer back to the Government at their current revision level.

**Training:** The Contractor shall provide training for Government, or designated third party employees who will be responsible for providing the specified services after the transition period.

If the transition results from a termination for any reason, reimbursement shall be governed by the termination provisions of this contract (see FAR 52.212-4). If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) and a reasonable profit.

During the transition period, all applicable terms and conditions of this contract shall remain in full force and effect.

## **2.0 AVAILABILITY OF FUNDS**

Funds are not presently available for this contract. The Government's obligation under this contract is contingent upon the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the Government for any payment may arise until funds are made available to the Contracting Officer for this contract and until the Contractor receives notice of such availability, to be confirmed in writing by the Contracting Officer. In the event that funds are appropriated for this contract for performance of required NMCI services, such funding will apply only to such services to be ordered during the first Program Year of this contract. Furthermore, the Government shall not be obligated to make payment, and the Contractor shall not be obligated to incur costs for performance under this contract beyond the first Program Year unless and until the Contractor has been notified by the Contracting Officer of an increase in the availability of funds. No legal liability on the part of the Government for any payment may arise until funds are made available to the Contracting Officer for this contract and until the Contractor receives notice of such availability, to be confirmed in writing by the Contracting Officer. If so notified, the Government's obligation to make payment and the Contractor's obligation to perform will be increased only to the extent contract performance is required for the additional Program Years for which funds are made available. The Government's liability for any cancellation of NMCI requirements beyond the first Program Year shall be determined in accordance with, and be limited by, the provisions of Section 5.3 entitled "CANCELLATION UNDER MULTI-YEAR CONTRACTS."

## **2.1 MINIMUM QUANTITIES**

The specified "minimum quantities" for various IT services set forth in Tables One through Eight of this contract represent the Government's best estimate of its minimum requirements for each Program Year of contract performance. The parties recognize that actual usage of such IT services is extremely difficult to predict and that usage will necessarily vary from month to month during the period of this contract. Therefore, it is understood and agreed that the Government will be deemed to have satisfied its obligation to order the specified "minimum

requirements” for each Program Year in which the total value of orders issued for IT services subject to minimum quantity requirements equals or exceeds the “Total Contract Price” (*i.e.*, sum of extended prices for all applicable Items) for such services for that Program Year. This shall be true (i) regardless of whether or not the specified “minimum quantity” for each CLIN is actually ordered, and (ii) without regard to reductions which might apply to payments made under the contract pursuant to section 5.9 entitled “PAYMENT” and/or section 6.15 entitled “CREDIT TERMS.”

### **3.0 DELIVERY**

Unless otherwise specified within an individual order, the following shall be applicable to all orders issued under this contract.

#### **3.1 Shipment Responsibilities**

Services performed under this contract shall be delivered “F.O.B. Destination, within Government Premises.” The Contractor shall have complete responsibility for providing services to all site(s). Actual delivery dates will be specified on the individual order.

#### **3.2 Delivery Locations**

Information Technology Services will be performed at every Navy and Marine Corps building/base/facility in the Continental United States (CONUS), Alaska, Hawaii, Roosevelt Roads (Puerto Rico), Naval Station, Guantanamo Bay (Cuba), Keflavik (Iceland), U.S. Joint Forces Command, U.S. Pacific Command, and other OCONUS sites. Specific locations will be provided upon contract award or issuance of individual orders.

### **4.0 INSPECTION AND ACCEPTANCE**

Inspection and acceptance are methods of verifying that the services provided by the Contractor are in compliance with the requirements of this contract. Inspection and acceptance shall be performed at destination using a combination of two methodologies: (1) Contractor executed testing and verification against contract requirements with contractor developed and Government-approved test processes and procedures, and (2) Government execution, with contractor support, of government developed test processes and procedures. Demonstration of successful service delivery in accordance with the contract will be defined as successfully completing both aspects.

Inspection and acceptance shall be divided into two distinct periods: Proof of concept testing and evaluation; and transition testing and evaluation. Proof of concept testing and evaluation will be conducted during the period that begins with the contract period of performance and ends upon government declaration of having successfully completed the concept testing and evaluation and achieved Initial Operational Capability (IOC). This period covers the first NMCI installation increment, which is defined as the first order for installation. Proof of concept testing and evaluation will be considered successful when both contractor and government test and evaluation, as defined in approved test processes and procedures, has demonstrated sustained service delivery that meets contract requirements for the entire user community in the NMCI first increment installation. Successful completion of proof of concept testing and evaluation will constitute achievement of Initial Operational Capability (IOC) for NMCI implementation.

Transition testing and evaluation will begin at IOC and is associated with post-IOC increment installation and integration, including major modification of existing segments, and will be conducted as new increments are transitioned to full SLA compliance. Transition testing shall include regression testing on the existing NMCI segments to the extent agreed upon between the government and the contractor and shall be defined in the contractor's Fielding and Transition Plan. It is expected that both contractor and government testing will utilize the test processes and procedures developed for proof of concept testing, tailored to the increment ordered, for regression testing, and to define the minimum testing required to establish confidence that NMCI (existing and newly installed and integrated increment) meets contract requirements as specified as key performance parameters.

#### Contractor Developed and Government-Approved Processes and Procedures

The contractor shall develop, in consultation with designated Government representatives, required processes and procedures to demonstrate contract compliance. It is expected that the Contractor's standard commercial test plans, processes, and procedures will provide the basis for the above. These processes and procedures shall be approved by the Government prior to the start of increment installation and integration. The contractor shall use these same processes and procedures for SLA compliance monitoring and reporting during the life of the contract, unless otherwise specified or approved by the Government (e.g., tailoring as described above).

The Contractor shall demonstrate SLA compliance for all key performance parameters for the the first installation increment identified in the Government's implementation schedule prior to achieving IOC.

The Government reserves the right to audit the Contractor's performance monitoring activities and to perform independent verification and testing in order to validate Contractor's performance against contract requirements. The right to audit includes but is not limited to inspection of the Contractor's data collection, measurement tools, and the report of service levels.

#### Government Developed and Implemented Testing Methodologies

The Government will develop and implement testing and evaluation plans to support an independent assessment that NMCI meets contract requirements. This testing and evaluation will complement the Contractor developed plan and is expected to focus on interoperability, security, and mission support. Specifically, government testing and evaluation plans executed will focus on several methodologies of service delivery to the user population affected. Areas to be tested and evaluated include, but are not limited to: (1) continued operation of mission essential DoD and DON applications; (2) continued support for mission essential information exchange requirements (IERs), both external and internal to NMCI; (3) community of interest support; and (4) security.

Government testing and evaluation plans will be tailored to each installation increment and delivered to the Contractor prior to the start date for increment migration to NMCI services. These plans will include: proposed testing and evaluation methodologies; mission essential applications to be tested; high-level operational architecture products depicting mission essential Information Exchange Requirements (IERs); identification of key communities of interest and unique mission requirements that must be supported; and specific security requirements to be tested. The contractor shall work with designated Government representatives to identify key performance parameters to be evaluated. Key performance parameters selected will include those required to adequately demonstrate security, interoperability, and service delivery performance. These key performance parameters will

exclude those metrics that cannot be reasonably measured and reported based on phased service implementation agreed to at time of contract award. Voice service is an example of a service that may be excluded from proof of concept testing and evaluation.

#### **4.1 ACCEPTANCE BY THE GOVERNMENT**

Acceptance or rejection of all services under this contract shall be accomplished by the Contracting Officer's Representative (COR). Upon the Contractor's demonstration of successful performance as measured against the contract requirements, the COR will sign an inspection and receiving document attesting to acceptance of services performed by the Contractor.

#### **4.2 RESPONSIBILITY OF REQUIREMENTS CONFORMANCE**

The COR's acceptance of the delivered services does not release the Contractor from liability to ensure that the services delivered are compliant to the order.

#### **4.3 TEMPORARY/CONDITIONAL ACCEPTANCE**

The Government may accept temporary use of a service which has been rejected through normal inspection criteria, in order to meet a critical need. Under these circumstances, the services are still considered to have been rejected and the Contractor is required to replace or correct the deficiency. However, until such time as acceptable service is available, the Government may choose to use service if doing so meets a critical need and does not impede the corrective process.

### **5.0 CONTRACT ADMINISTRATION**

#### **5.1 AUTHORIZED CHANGES (ONLY BY CONTRACTING OFFICER) (MANDATORY)**

*The Contractor shall not comply with any order, direction or request of Government personnel unless it is issued in writing and signed by the Contracting Officer, or is pursuant to specific authority otherwise included as a part of this contract.* Except as specified herein, no order, statement, or conduct of Government personnel who visit the Contractor's facilities or in any other manner communicates with Contractor personnel during the performance of this contract shall constitute a change under the Changes section of FAR 52.212-4. The Contracting Officer is the only person authorized to approve changes to any of the requirements of this contract and notwithstanding provisions contained elsewhere in this contract, this authority remains solely the Contracting Officer's. In the event the Contractor effects any change at the direction of any person other than the Contracting Officer, the change will be considered to have been made without authority and no adjustment will be made in the contract price to cover any increase in charges incurred as a result thereof. The address and telephone number of the Contracting Officer is:

Name - TBD  
Address - TBD  
Telephone Number - TBD

**5.2 ORDERING**

(a) Any services to be furnished under this contract shall be ordered by issuance of orders by the PCO or the PCO’s designated representative. Such orders may be issued from contract award through five years, and an additional three years if the option to extend is exercised. All orders are subject to the terms and conditions of this contract. In the event of conflict between an order and this contract, the contract shall take precedence.

(b) Orders Placed by Government Contractors: The Contractor agrees that Government contractors providing support to the DoN may place orders directly with the Contractor for NMCI services to be delivered only at Navy and Marine Corps sites and only after NMCI service is available at the particular site(s). All terms and conditions of this contract shall apply to each such order. The Contractor agrees that all items ordered pursuant to this subsection shall count toward the satisfaction of the minimum quantity obligations of this contract. The Contractor also agrees that it will not pursue any claim or request for equitable adjustment against the Government as a result of any order placed directly by a Government support contractor pursuant to this subsection. The support contractor shall obtain authorization from the Government Contracting Officer responsible for its support contract prior to ordering directly from the NMCI contractor under this subsection. If orders are placed under this paragraph, paragraph 4.0 titled “Inspection and Acceptance” does not apply.

**5.3 CANCELLATION UNDER MULTI-YEAR CONTRACTS**

"Cancellation," as used in this clause, means that the Government is canceling its requirements for all services in program years, including option years, subsequent to that in which notice of cancellation is provided. Cancellation shall occur if the Contracting Officer:

(1) Notifies the Contractor that funds are not available for contract performance for any subsequent program year; or

(2) Fails to notify the Contractor that funds are available for performance of the succeeding program year requirement.

If cancellation under this clause occurs, the Contractor will be paid a cancellation charge not over the cancellation ceiling specified below as applicable at the time of cancellation:

- 2002: \$84.5M
- 2003: \$251.4M
- 2004: \$536.9M
- 2005: \$549.1M

Notification under this clause shall be due on the following dates:

Program Year	Latest Notification Date
2 (FY2002)	1 October 2001
3 (FY2003)	1 October 2002
4 (FY2004)	1 October 2003
5 (FY2005)	1 October 2004
Program Year – IF option is exercised	Latest Notification Date
6 (FY2006)	1 October 2005
7 (FY2007)	1 October 2006

8 (FY2008)

1 October 2007

The cancellation charge will cover only --

- (1) Costs --
  - (i) Incurred by the Contractor and/or Subcontractor;
  - (ii) Reasonably necessary for performance of the contract; and
  - (iii) That would have been equitably amortized over the entire multi-year contract period but, because of the cancellation, are not so amortized; and
- (2) A reasonable profit or fee on the costs.

The cancellation charge shall be computed and the claim made for it as if the claim were being made under the termination provisions of this contract. The Contractor shall submit the claim promptly but no later than one year from the date --

- (1) Of notification of the nonavailability of funds; or
- (2) Specified in the Schedule by which notification of the availability of additional funds for the next succeeding program year is required to be issued, whichever is earlier, unless extensions in writing are granted by the Contracting Officer.

The Contractor's claim may include --

- (1) Reasonable nonrecurring costs (see Subpart 15.4 of the Federal Acquisition Regulation) which are applicable to and normally would have been amortized in all supplies or services which are multi-year requirements;
- (2) Allocable portions of the costs of facilities acquired or established for the conduct of the work, to the extent that it is impracticable for the Contractor to use the facilities in its commercial work, and if the costs are not charged to the contract through overhead or otherwise depreciated;
- (3) Costs incurred for the assembly, training, and transportation to and from the job site of a specialized work force; and
- (4) Costs not amortized solely because the cancellation had precluded anticipated benefits of Contractor or Subcontractor learning.

The claim shall not include --

- (1) Labor, material, or other expenses incurred by the Contractor or subcontractors for performance of the canceled work;
- (2) Any cost already paid to the Contractor;
- (3) Anticipated profit or unearned fee on the canceled work; or
- (4) The remaining useful commercial life of facilities (i.e., infrastructure). "Useful commercial life" means the commercial utility of the facilities rather than their physical life with due

consideration given to such factors as location of facilities, their specialized nature, and obsolescence.

Quantities added to the original contract through the term of contract clause of this contract shall be included in the quantity canceled for the purpose of computing allowable cancellation charges.

#### **5.4 GOVERNANCE**

An organization will be identified by the Government, which will act as a central point of contact to the Contractor for NMCI operations. The Government's desire is to resolve issues as quickly as possible at the lowest possible management level. The Government organization will work in conjunction with the Contractor to fulfill responsibilities, in accordance with all applicable laws, policies, and directives.

The Government may establish a presence at the Contractor's global Network Operations Center (NOC) or Network Management Center (NMC) to monitor overall NMCI operations for the Government. Adequate office space comparable to that provided for Contractor employees, with administrative support, for two people shall be provided 24 hours every day.

NMCI network management policies, procedures, and tools shall enable the Government to exercise operational direction over critical segments of the NMCI infrastructure in support of DoN statutory and warfighting responsibilities. Operational direction includes the ability to set priorities for contracted services, and to set priorities for resolution of problems/deficiencies, and to direct changes in network security posture. This capability is required by the Navy and Marine Corps (and Air Force and Army if supported under NMCI) and by theater (CINCPAC and CINCLANT).

#### **5.5 CONTRACTING OFFICER'S REPRESENTATIVE (COR)**

When, in the opinion of the Contractor, the COR requests effort outside the existing scope of the contract (or delivery order), the Contractor shall promptly notify the Contracting Officer in writing. No action shall be taken under such direction until the Contracting Officer has issued a modification to the contract or order; or until the issue has otherwise been resolved. *THE COR IS NOT AN ADMINISTRATIVE CONTRACTING OFFICER AND DOES NOT HAVE AUTHORITY TO DIRECT THE ACCOMPLISHMENT OF EFFORT WHICH IS BEYOND THE SCOPE OF THE CONTRACT OR DELIVERY ORDER.*

The COR may be changed at any time by the Government without prior notice to the Contractor, but notification of the change, including the name and address of the successor COR, will be promptly provided to the Contractor by the contracting officer in writing.

#### **5.6 SITE SUPPORT AND GOVERNMENT FURNISHED EQUIPMENT**

The Government will furnish the Contractor storage space, working space, basic office furniture, heat, light, ventilation, electric current, and outlets for the use of the Contractor's personnel. These facilities shall be provided at no charge to the Contractor; however, fit-up of the facilities to Contractor specifications will not be provided by the Government. Type and size of space to be provided will be based on availability and will vary at each site. Additionally, the Government will provide the following:

- 1) Floor space adjacent to users necessary for support of the Contractor's installed equipment and personnel who will be providing move, add, change, and on-site maintenance.
- 2) Access to equipment on Government facilities specific to NMCI
- 3) Server rooms
- 4) Support for the following:
  - Administrative verification of clearance
  - Access to Work space and Government site (empty room) for properly cleared personnel
  - Physical security for Government space (door locks, for example): This does not include new protected distribution system (PDS) or other physical security measures required to provide classified seats.
- 5) Information on:
  - Blueprints (as available)
  - Roster
  - Seating chart
- 6) Type 1 Encryption devices and classified keying material (COMSEC Material System (CMS) management responsibilities for Type 1 encryption devices and their associated key material shall be a Contractor responsibility. Operation of Type 1 encryption devices within the NMCI operating environment may be conducted by DON personnel or authorized NMCI contractor personnel. If the former scenario is proposed by the NMCI contractor, the contract shall be equitably adjusted to account for the costs associated with government operation of these devices.
- 7) Crypto-keying material
- 8) Base security
- 9) Security escort services when required
- 10) Trash disposal services/salvage and demilitarization
- 11) Safety and emergency services
- 12) Site support for OCONUS locations will be defined within each order
- 13) Smart cards as defined in Attachment 8 (either interim or the common access card.)  
Inventory will be managed as follows:  
If interim card: The card will be provided to the contractor as GFE. It is the responsibility of the contractor to distribute, issue, and manage for each seat.  
If Common Access Card: The CAC will be issued by the Department of the Navy from authorized RAPIDS workstations. Those RAPIDS workstations will be located in Personal Service Detachments (PSD) and other badging offices. The CAC will minimally contain DoD PKI identity credentials and other functional smart card information. Other DoD PKI credentials for SMIME digital signing and SMIME encryption may not be included in issuance. Therefore, the contractor shall provide a mechanism to request and download to the card from the DoD PKI those missing credentials. It is the responsibility of the contractor to match DoD PKI credentials to one's NMCI profile and privileges.
- 14) DoD PKI user profiles (Attachment 1, paragraph 3.1.16) .

## **5.7 CONTRACTOR/GOVERNMENT PROVISION OF CONSUMABLE SUPPLIES**

The Contractor shall provide consumable supplies for its use required in the daily operation or performance of, or in support of this contract.

## **5.8 CONTRACTOR IDENTIFICATION**

Contractor employees shall be clearly identifiable while on Government property by wearing a Government-issued badge, as required. Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with Government personnel by telephone or other electronic means.

## **5.9 PAYMENT**

Payment will be made as services are provided at the prices specified in Part One of this contract, in no more than 30 days from receipt of acceptable invoice. The Contractor shall assume responsibility for the operation of the existing infrastructure in accordance with the requirements of the order. The Contractor shall transition without loss of service to performance specified in this contract. During the transition period, the Contractor will be compensated at 85% of the agreed-upon price per seat and will not be eligible for incentive payments. At the time when the Contractor meets or exceeds the service level agreements for the ordered segment, the Contractor will be compensated at 100%. For purposes of this clause, the "transition period" shall begin on the date the Contractor assumes responsibility for operation of the existing IT infrastructure, as specified in the applicable order, and shall end at the time the Contractor demonstrates that all SLAs are being met for all seats included within the order.

In the event that services for one or more existing services (including all seats) are deleted pursuant to the changes section of 52.212-4, the Contractor shall be entitled to payment only through the end of the monthly period in which the deletion for such deleted services is made.

## **5.10 DIRECT PAYMENT TO FIRST-TIER SMALL BUSINESS SUBCONTRACTORS**

The Contractor agrees to include in its invoices instructions to the Government to remit amounts that the Contractor owes to its first-tier small business subcontractors directly to those entities, or alternatively, to establish procedures acceptable to the Contracting Officer providing for submission of invoices of such subcontractors for payment by the Government after certification by the Contractor. The Contractor agrees to flow down FAR clause 52.232-33, Payment by Electronic Funds Transfer—Central Contractor Registration, to all subcontractors receiving direct payment from the Government. The Contractor further agrees to indemnify the Government against, and hold the Government harmless from, any and all claims of underpayment or overpayment of subcontractors. The Contractor will obtain written consent from the Contracting Officer for each first-tier small business subcontractor entity receiving payment directly from the government pursuant to this clause. Upon request, and with the Contracting Officer's prior approval, the Government will provide the Contractor with confirmation of amounts and dates of payments to subcontractors. Making such direct payments shall not be construed to create privity of contract between the Government and any such first-tier subcontractor. Accordingly, all communications of any nature regarding this contract (other than the above-described invoice payments) shall be between the Government and the prime contractor.

## **5.11 FAR 52.232-33 PAYMENT BY ELECTRONIC FUNDS TRANSFER—CENTRAL CONTRACTOR REGISTRATION (MAY 1999) (MANDATORY)**

## **5.12 ELECTRONIC COMMERCE SERVICES**

The contractor shall provide a web-based Electronic Commerce Service that provides for electronic ordering invoicing, and payment of NMCI services to be available no later than six months following award. The Electronic Commerce Services shall include but not be limited to the capability to create orders in database format in accordance with DoD Form Standards, capability for internal review and approval of orders by the Government ordering approval authority prior to placement, secure transactions in conformance with DoD Public Key Infrastructure PKI, searchable database containing all orders (open and closed), capability to track order status to invoice and payment status, automated Contracting Officer Representative (COR) acceptance of delivered services, a searchable database containing financial memorandum records on commitments, obligations, accrued costs and expenditures for each ordered segment, interface between the contractor ordering web application with the Government contracting information system permitting download of database requisitions and orders, and automated order close-out capability with provision for web-based contract closeout statistics and exception reports.

### **5.13 FEDERAL, STATE, AND LOCAL TAXES (THIS CLAUSE REPLACES FAR 52.212-4(K))**

#### 5.13.1 Definitions:

"Contract date," as used in this clause, means the effective date of this contract and, for any modification to this contract, the effective date of the modification.

"All applicable Federal, State, and local taxes and duties," as used in this clause, means all taxes and duties, in effect on the contract date, that the taxing authority is imposing and collecting on the services, transactions, or property covered by this contract.

"After-imposed tax," as used in this clause, means any new or increased Federal, State, or local tax or duty, or tax that was excluded on the contract date but whose exclusion was later revoked or amount of exemption reduced during the contract period, other than an excepted tax, on the services, transactions, or property covered by this contract that the Contractor is required to pay or bear as the result of legislative, judicial, or administrative action taking effect after the contract date.

"After-relieved tax," as used in this clause, means any amount of Federal, State, or local tax or duty, other than an excepted tax, that would otherwise have been payable on the services, transactions, or property covered by this contract, but which the Contractor is not required to pay or bear, or for which the Contractor obtains a refund or drawback, as the result of legislative, judicial, or administrative action taking effect after the contract date.

"Excepted tax," as used in this clause, means social security or other employment taxes, net income and franchise taxes, excess profits taxes, capital stock taxes, transportation taxes, unemployment compensation taxes, and property taxes. "Excepted tax" does not include gross income taxes levied on or measured by sales or receipts from sales, property taxes assessed on completed supplies covered by this contract, or any tax assessed on the Contractor's possession of, interest in, or use of property, title to which is in the Government.

5.13.2 Unless otherwise provided in this contract, the contract price includes all applicable Federal, State, and local taxes and duties.

5.13.3 The contract price shall be increased by the amount of any after-imposed tax, or of any tax or duty specifically excluded from the contract price by a term or condition of this contract that the Contractor is required to pay or bear, including any interest or penalty, if the Contractor states in writing that the contract price does not include any contingency for such tax and if liability for such tax, interest, or penalty was not incurred through the Contractor's fault, negligence, or failure to follow instructions of the Contracting Officer.

5.13.4 The contract price shall be decreased by the amount of any after-relieved tax. The Government shall be entitled to interest received by the Contractor incident to a refund of taxes to the extent that such interest was earned after the Contractor was paid by the Government for such taxes. The Government shall be entitled to repayment of any penalty refunded to the Contractor to the extent that the penalty was paid by the Government.

5.13.5 The contract price shall be decreased by the amount of any Federal, State, or local tax, other than an excepted tax, that was included in the contract price and that the Contractor is required to pay or bear, or does not obtain a refund of, through the Contractor's fault, negligence, or failure to follow instructions of the Contracting Officer.

5.13.6 No adjustment shall be made under this clause unless the aggregate amount of the adjustment exceeds \$1000.

5.13.7 The Contractor shall promptly notify the Contracting Officer of all matters relating to Federal, State, and local taxes and duties that reasonably may be expected to result in either an increase or decrease in the contract price and shall take appropriate action as the Contracting Officer directs.

5.13.8 The Government shall, without liability, furnish evidence appropriate to establish exemption from any Federal, State, or local tax when –

- (1) The Contractor requests such exemption and states in writing that it applies to a tax excluded from the contract price; and
- (2) A reasonable basis exists to sustain the exemption.

#### **5.14 LIMITATION OF LIABILITY [THIS CLAUSE REPLACES FAR 52.212-4(P)]**

The Contractor shall not be liable to the Government for consequential damages resulting from any defect or deficiencies in accepted items. In addition, except to the extent that the Contractor is expressly responsible under this contract for deficiencies in the services provided (e.g. for the payment of credits pursuant to section 6.15), the Contractor's liability to the Government for actual, direct damages arising out of or related to this contract shall be limited to and not exceed, in the aggregate for all claims and causes of action of every kind and nature (whether sounding in contract, tort, or otherwise), the sum of Three Hundred Million Dollars (\$300,000,000); provided, however, that this limitation of liability shall not apply to the extent that liability results from (a) acts of intentional tortious conduct or (b) any obligation of the Contractor to indemnify the Government that is set forth in this contract.

#### **5.15 WARRANTY [THIS CLAUSE REPLACES FAR 52.212-4(O)]**

The Contractor warrants that it will perform the services delivered hereunder in a workmanlike manner. Except as specifically set forth in this section, "5.15 – WARRANTY," the contractor makes no warranties or representations, express or implied, regarding any matter, and the

contractor expressly disclaims all warranties, express or implied, including the implied warranties of merchantability and fitness for a particular purpose.

## **5.16 ASBESTOS CONTAINING MATERIALS (ACM) AND OTHER HAZARDOUS MATERIALS**

5.16.1 For projects involving drilling or other disturbance to building walls, ceilings, floors, etc., the Government will provide to the Contractor any available asbestos survey reports that detail the location of ACM in given buildings.

5.16.2 The Contractor is encouraged to perform an initial site visit to the location(s) specified in the delivery order to inspect the site(s) where services are to be performed. In the event the inspection reveals a site condition which may include ACM that would be encountered during contract performance, the Contractor shall advise the Contracting Officer immediately.

5.16.3 If, during contract performance, the Contractor encounters ACM or material suspected to be ACM that was not revealed in an asbestos survey report, upon inspection, or otherwise, the Contractor shall advise the Contracting Officer immediately. The Contractor shall cease performance immediately and shall take measures to prevent exposure to Contractor and Government personnel and building occupants by covering the exposed area, posting warning signs, and covering any debris. The Contractor shall wait for further instruction from the Contracting Officer before commencing work in the affected area. At all times, the Contractor shall comply with all applicable laws, rules, regulations, and guidance when working with ACM.

5.16.4 When anticipated or newly discovered ACM is determined by the Contracting Officer to be of such negligible amount and/or there is no danger to building occupants, Contractor employees, and Government personnel, the Contracting Officer may authorize the Contractor to proceed with the work.

5.16.5 If, during contract performance, the Contractor unexpectedly encounters a material other than ACM which is hazardous or suspected to be hazardous, the Contractor shall advise the Contracting Officer immediately. The Contractor shall cease performance immediately and shall take measures to cover the exposed area, post warning signs, and cover any debris. The Contractor shall wait for further instruction from the Contracting Officer before commencing work in the affected area. At all times, the Contractor shall comply with all applicable laws, rules, regulations, and guidance.

5.16.6 The Contractor shall assume full responsibility and liability for compliance with all applicable laws, rules, regulations, and guidance pertaining to the protection of workers, visitors, and persons occupying areas adjacent to affected sites. The Contractor agrees to indemnify the Government against, and hold the Government harmless from, any and all claims of failure to comply with applicable environmental, safety, or health laws or regulations on the part of the Contractor or any of its employees, subcontractors, or agents. The Government assumes no liability for any exposure of Contractor personnel to asbestos or other hazardous material. The Contractor will provide adequate insurance and assumes full responsibility for ensuring adequate protection of Contractor personnel against exposure to asbestos or other hazardous material while such personnel are performing work in support of this contract.

## **6.0 SPECIAL TERMS AND CONDITIONS**

### **6.1 FAR 52.203-8 CANCELLATION, RESCISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY (JAN 1997) (Mandatory)**

**6.2 FAR 52.204-6 DATA UNIVERSAL NUMBERING SYSTEM (DUNS) NUMBER (JUN 1999)**

**6.3 FAR 52.216-22 INDEFINITE QUANTITY (OCT 1995) (Mandatory)**

**6.4 FAR 52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (OCT 1998)**

**6.5 DFARS 252.203-7001 PROHIBITION ON PERSONS CONVICTED OF FRAUD OR OTHER DEFENSE-CONTRACT RELATED FELONIES (MAR 1999) (Mandatory)**

**6.6 DFARS 252.204-7001 COMMERCIAL AND GOVERNMENT ENTITY (CAGE) CODE REPORTING (DEC 1991) THE CAGE CODE IS Offeror fill in (Mandatory)**

**6.7 FAR 52.212-5 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE ORDERS -- COMMERCIAL ITEMS (MAY 1999) (MANDATORY)**

(a) The Contractor agrees to comply with the following FAR clauses, which are incorporated in this contract by reference, to implement provisions of law or executive orders applicable to acquisitions of commercial items:

- (1) 52.222-3, Convict Labor (E.O. 11755); and
- (2) 52.233-3, Protest after Award (31 U.S.C 3553).

(b) The Contractor agrees to comply with the FAR clauses in this paragraph (b) which the contracting officer has indicated as being incorporated in this contract by reference to implement provisions of law or executive orders applicable to acquisitions of commercial items or components:

(Contracting Officer shall check as appropriate.)

(1) 52.203-6, Restrictions on Subcontractor Sales to the Government, with Alternate I (41 U.S.C. 253g and 10 U.S.C. 2402).

(2) 52.219-3, Notice of HUBZone Small Business Set-Aside (Jan 1999).

(3) 52.219-4, Notice of Price Evaluation Preference for HUBZone Small Business Concerns (Jan 1999) (if the offeror elects to waive the preference, it shall so indicate in its offer).

(4) (i) 52.219-5, Very Small Business Set-Aside (pub. L. 103-403, section 304, small Business Reauthorization and Amendments Act of 1994).

(ii) Alternate I to 52.219-5.

(iii) Alternate II to 52.219-5.

(5) 52.219-8, Utilization of Small Business Concerns (15 U.S.C. 637 (d)(2) and (3)).

- (6) 52.219-9, Small Business Subcontracting Plan (15 U.S.C. 637 (d)(4)).
- (7) 52.219-14, Limitations on Subcontracting (15 U.S.C. 637(a)(14)).
- (8) (i) 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323) (if the offeror elects to waive the adjustment, it shall so indicate in its offer).

(ii) Alternate I of 52.219-23.

- (9) 52.219-25, Small Disadvantaged Business Participation Program-Disadvantaged Status and Reporting (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).
- (10) 52.219-26, Small Disadvantaged Business Participation Program-Incentive Subcontracting (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).
- (11) 52.222-21, Prohibition of Segregated Facilities (Feb 1999).
- (12) 52.222-26, Equal Opportunity (E.O. 11246).
- (13) 52.222-35, Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (38 U.S.C. 4212).
- (14) 52.222-36, Affirmative Action for Workers with Disabilities (29 U.S.C. 793).
- (15) 52.222-37, Employment Reports on Disabled Veterans and Veterans of the Vietnam Era (38 U.S.C. 4212).

- (16) 52.225-3, Buy American Act -- Supplies (41 U.S.C. 10).
- (17) 52.225-9, Buy American Act -- Trade Agreements Act --Balance of Payments Program (41 U.S.C.10, 19 U.S.C. 2501-2582).

(18) [Reserved]

- (19) 52.225-18, European Union Sanction for End Products (E.O. 12849).
- (20) 52.225-19, European Union Sanction for Services (E.O. 12849).
- (21)(i) 52.225-21, Buy American Act -- North American Free Trade Agreement Implementation Act --Balance of Payments Program (41 U.S.C. 10, Pub. L. 103-187).

(ii) Alternate I of 52.225-21.

- (22) 52.232-33, Payment by Electronic Funds Transfer-Central Contractor Registration (31 U.S.C. 3332).
- (23) 52.232-4, Payment by Electronic Funds Transfer-Other Than Central Contractor Registration (31 U.S.C. 3332).
- (24) 52.232-36, Payment by Third Party (31 U.S.C. 3332).]

(25) 52.239-1, Privacy or Security Safeguards (5 U.S.C. 552a).

(26) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (46 U.S.C. 1241).

(c) The Contractor agrees to comply with the FAR clauses in this paragraph (c), applicable to commercial services, which the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or executive orders applicable to acquisitions of commercial items or components:

(Contracting Officer check as appropriate.)

(1) 52.222-41, Service Contract Act of 1965, As Amended (41 U.S.C. 351, et seq.).

(2) 52.222-42, Statement of Equivalent Rates for Federal Hires (29 U.S.C. 206 and 41 U.S.C. 351, et seq.).

(3) 52.222-43, Fair Labor Standards Act and Service Contract Act -- Price Adjustment (Multiple Year and Option Contracts) (29 U.S.C.206 and 41 U.S.C. 351, et seq.).

(4) 52.222-44, Fair Labor Standards Act and Service Contract Act – Price Adjustment (29 U.S.C. 206 and 41 U.S.C. 351, et seq.).

(5) 52.222-47, SCA Minimum Wages and Fringe Benefits Applicable to Successor Contract Pursuant to Predecessor Contractor Collective Bargaining Agreement (CBA) (41 U.S.C. 351, et seq.).

(d) Comptroller General Examination of Record. The Contractor agrees to comply with the provisions of this paragraph (d) if this contract was awarded using other than sealed bid, is in excess of the simplified acquisition threshold, and does not contain the clause at 52.215-2, Audit and Records -- Negotiation.

(1) The Comptroller General of the United States, or an authorized representative of the Comptroller General, shall have access to and right to examine any of the Contractor's directly pertinent records involving transactions related to this contract.

(2) The Contractor shall make available at its offices at all reasonable times the records, materials, and other evidence for examination, audit, or reproduction, until 3 years after final payment under this contract or for any shorter period specified in FAR Subpart 4.7, Contractor Records Retention, of the other clauses of this contract. If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement. Records relating to appeals under the disputes clause or to litigation or the settlement of claims arising under or relating to this contract shall be made available until such appeals, litigation, or claims are finally resolved.

(3) As used in this clause, records include books, documents, accounting procedures and practices, and other data, regardless of type and regardless of form. This does not require the Contractor to create or maintain any record that the Contractor does not maintain in the ordinary course of business or pursuant to a provision of law.

(e) Notwithstanding the requirements of the clauses in paragraphs (a), (b), (c) or (d) of this clause, the Contractor is not required to include any FAR clause, other than those listed below (and as may be required by an addenda to this paragraph to establish the reasonableness of prices under Part 15), in a subcontract for commercial items or commercial components --

- (1) 52.222-26, Equal Opportunity (E.O. 11246);
- (2) 52.222-35, Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (38 U.S.C. 4212);
- (3) 52.222-36, Affirmative Action for Workers with Disabilities (29 U.S.C. 793); and
- (4) 52.247-64, Preference for Privately-Owned U.S.- Flag Commercial Vessels (46 U.S.C. 1241)

**6.8 252.212-7001 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE ORDERS APPLICABLE TO DEFENSE ACQUISITIONS OF COMMERCIAL ITEMS (SEP 1999) (MANDATORY)**

(a) The Contractor agrees to comply with the Defense Federal Acquisition Regulation Supplement (DFARS) clause 252.247-7023, Transportation of Supplies by Sea, which is included in this contract by reference to implement 10 U.S.C. 2631.

(b) The Contractor agrees to comply with any clause that is checked on the following list of DFARS clauses which, if checked, is included in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items or components.

- 252.205-7000 Provision of Information to Cooperative Agreement Holders (10 U.S.C. 2416).
- 252.206-7000 Domestic Source Restriction (10 U.S.C. 2304).
- 252.219-7003 Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (DoD Contracts) (15 U.S.C. 637).
- 252.225-7001 Buy American Act and Balance of Payments Program (41 U.S.C. 10a-10d, E.O. 10582).
- 252.225-7007 Buy American Act--Trade Agreements--Balance of Payments Program (41 U.S.C. 10a-10d, 19 U.S.C. 2501-2518, and 19 U.S.C. 3301 note).
- 252.225-7012 Preference for Certain Domestic Commodities.
- 252.225-7014 Preference for Domestic Specialty Metals (10 U.S.C. 2241 note).
- 252.225-7015 Preference for Domestic Hand or Measuring Tools (10 U.S.C. 2241 note).
- 252.225-7021 Trade Agreements (19 U.S.C. 2501-2518 and 19 U.S.C. 3301 note).
- 252.225-7027 Restriction on Contingent Fees for Foreign Military Sales (22 U.S.C. 2779).

- 252.225-7028 Exclusionary Policies and Practices of Foreign Governments (22 U.S.C. 2755).
- 252.225-7029 Preference for United States or Canadian Air Circuit Breakers (10 U.S.C. 2534(a)(3)).
- 252.225-7036 Buy American Act--North American Free Trade Agreement Implementation Act--Balance of Payments Program ( Alternate I) (41 U.S.C. 10a-10d and 19 U.S.C. 3301 note).
- 252.227-7015 Technical Data--Commercial Items (10 U.S.C. 2320).
- 252.227-7037 Validation of Restrictive Markings on Technical Data (10 U.S.C. 2321).
- 252.243-7002 Requests for Equitable Adjustment (10 U.S.C. 2410).
- 252.247-7024 Notification of Transportation of Supplies by Sea (10 U.S.C. 2631).

(c) In addition to the clauses listed in paragraph (e) of the Contract Terms and Conditions Required to Implement Statutes or Executive Orders--Commercial Items clause of this contract, the Contractor shall include the terms of the following clause, if applicable, in subcontracts for commercial items or commercial components, awarded at any tier under this contract:

252.225-7014 Preference for Domestic Specialty Metals, Alternate I (10 U.S.C. 2241 note).

**6.9 SMALL AND SMALL DISADVANTAGED SUBCONTRACTING REQUIREMENTS**

**6.9.1 SMALL AND SMALL DISADVANTAGED SUBCONTRACTING PARTICIPATION PLAN (MANDATORY)**

The Contractor's approved Subcontracting Plan is a material requirement of this contract. The subcontracting levels stated in the approved plan are the minimum requirements of the contract. The percentages stated in this clause are not goals; they are mandatory requirements. The Contractor shall meet these percentages no later than six months following contract award. The minimum mandatory requirements are a percentage of total contract price, and are as follows:

<i>CATEGORY</i>		<i>MINIMUM REQUIREMENT</i>
a.	Total Small Business Concerns (including small disadvantaged and women-owned small businesses)	35%
b.	Small Disadvantaged Businesses	5% (of total 35%)
c.	Women-Owned Businesses	5% (of total 35%)

The Contractor shall subcontract 10 percent of the 35 percent requirement with first tier subcontractors (also known as "strategic alliance partners").

First, second, and third tier subcontractors will count towards meeting the subcontracting requirements for this procurement. A company is considered small if the company is certified as small under either Standard Industrial Classification (SIC) Code Series 73 or 48.

In addition, the Contractor is encouraged to consider using subcontractors from the following categories:

- HubZone
- HBCU/MI
- Section 8(a)
- Javits/Wagner/O' Day
- 52.226-1 (Indian Organizations and Indian-Owned Economic Enterprises)

The Contractor should note that NAVSEA has a listing of Interested Sources on its web site. The web address is: <http://www.contracts.hq.navsea.navy.mil/nmci/> The Contractor may also find HubZone subcontracting Information on the Small Business Administration web site. The web address is: <http://pro-net.sba.gov/pro-net/register.html>.

### **6.9.2 SMALL AND SMALL DISADVANTAGED SUBCONTRACTING REPORTING REQUIREMENTS**

The contractor shall submit to the PCO written notification regarding the replacement or removal of any first, second or third tier small business. The notification shall be submitted 30 calendar days prior to the removal/replacement and shall include the rationale for the action.

### **6.10 SECURITY REQUIREMENTS (MANDATORY)**

(a) This clause applies to the extent that this contract involves access to information classified "Confidential," or "Secret."

(b) The Contractor shall comply with the Security Agreement (DD Form 441), including the National Industrial Security Program Operating Manual (DoD 5220.22-M); and any revisions to that manual.

(c) If, subsequent to the date of this contract, the security classification or security requirements under this contract are changed by the Government and if the changes cause an increase or decrease in security costs or otherwise affect any other term or condition of this contract, the change shall be in accordance with 52.212-4(c).

(d) The Contractor agrees to insert terms that conform substantially to the language of this clause, including this paragraph (d) but excluding any reference to the Changes clause of this contract, 52.212-4 (c) in all subcontracts under this contract that involve access to classified information.

### **6.11 STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODE (MANDATORY)**

The SIC code is 7379 – Computer Related Service, Not Elsewhere Classified.

### **6.12 FEDERAL SUPPLY CODE (FSC) (MANDATORY)**

The FSC code is D399 - Other ADP & Telecommunication Services.

### **6.13 CUSTOMER SATISFACTION**

The Contractor shall measure customer satisfaction by using its commercial best practices and objective evidence based on a statistical approach proposed by the Contractor and approved by the contracting officer (i.e., selected customer surveys, comment forums). The metric should measure the user's determination of the accuracy, completeness, consistency, effectiveness, timeliness, and overall quality of the service provided by the Contractor. The primary measure is the percent of respondents who choose a score above the average (in accordance with the approved approach) for customer satisfaction ('satisfied' or greater on an adjective scale, or above the mid point on a numeric scale).

### **6.14 INCENTIVES**

This contract includes several incentive provisions, as detailed in the following paragraphs. The Information Assurance and Small Business Participation incentives will be determined by an Incentive Board. Given that this contract shall be funded only with annual appropriations, the evaluation periods for all incentives shall not cross fiscal years.

#### **6.14.1 ONE TIME PAYMENT**

In consideration for a one-time payment of \$10M upon successful completion of FOC, the Contractor shall execute a release of all known or reasonably foreseeable claims in a form provided by the Government. Completion means service is provided to the levels specified in Attachment 2, the Service Level Agreements. Full Operational Capability (FOC) is defined as the steady state contract guaranteed number of users having the ability receive ordered services.

#### **6.14.2 CUSTOMER SATISFACTION**

The relative importance of the various factors that make up quality are likely to vary by user over time. This customer satisfaction incentive only applies if the Contractor meets the SLA, and any unearned incentive will not rollover into future periods. Service provider responsiveness to user needs will be incentivized by an award payment tied to customer satisfaction as determined by quarterly surveys of users. The size of the pool will be determined by the number of the following seat types installed: fixed workstations, portable workstations, embarkable workstations in garrison, and embarkable portable workstations in garrison based on the following schedule:

- A) If service is rated above average (as set forth in the approved plan) by more than 85%:  
\$25/seat/quarter
- B) If service is rated above average (as set forth in the approved plan) by more than 90%:  
\$50/seat/quarter
- C) If service is rated above average (as set forth in the approved plan) by more than 95%:  
\$100/seat/quarter

#### **6.14.3 INFORMATION ASSURANCE**

Actions necessary to assure security of information will change as new attack methods are developed or network weaknesses discovered. In order to focus continued high level attention on information assurance, the Government will perform unannounced information warfare on the service provider network and reward performance against electronic survivability service levels. The maximum for this incentive is \$10M per year. The specific amount will be determined through an Incentive Board, as shown below. At the end of each six-month evaluation period, the Contractor shall submit data that supports its proposed incentive amount (not to exceed \$5M) for that period.

#### **6.14.4 SMALL AND SMALL DISADVANTAGED BUSINESS PARTICIPATION**

The following incentive is to encourage continued small and small disadvantaged business participation at a level higher than the contract requirement of 35% over all, and 10% subcontracted to the First Tier.

Beginning six months after contract award, the Contractor shall submit data for the previous six month period showing actual amounts of subcontracted dollars to small and small disadvantaged businesses. If the amount exceeds the contracted plan, an incentive up to \$625,000 will be determined through an Incentive Board, as shown below. The maximum for this incentive is \$1.25M/year.

#### **6.14.5 INCENTIVE BOARD**

With the exception of the Incentive Review Board Chairman, members of the Board shall be appointed by PEO(IT). The responsibilities of incentive officials for information assurance and small business requirements are as follows:

- a. Incentive Determining Official. The IDO reviews the recommendation(s) of the IRB, considers all pertinent data, and unilaterally determines the earned incentive for each evaluation period.
- b. Incentive Review Board Chairman. The IRB Chairman chairs the meetings of the IRB and appoints the performance monitors. The IRB Chairman briefs the IDO on recommended incentive and the Contractor's overall performance. The PCO is the IRB Chairman.
- c. Incentive Review Board. IRB members monitor evaluation of the Contractor's performance, consider all information from pertinent sources, and recommend earned incentive.
- d. IRB Recorder. The IRB recorder is responsible for coordinating the administrative actions required by the performance monitors, the IRB and the IDO including documenting all IRB meetings.
- e. Performance Monitors. The PCO will appoint a Contracting Officer Representative (COR) to monitor the areas of evaluation.

All IDO decisions regarding the incentive, including but not limited to: the amount of the incentive, the methodology used to calculate the incentive, the calculation of the incentive, the Contractor's entitlement to the incentive; and the nature and success of the Contractor's performance, are unilateral decisions made solely at the discretion of the Government.

The incentive will be provided to the Contractor through unilateral contract modifications as determined by the IDO.

## **6.15 CREDIT TERMS**

The Government will not pay full price for services under this contract that do not meet the Service Level Agreements (Attachment 2). Each credit for service downtime will be applied to the order under which the service downtime occurred. Credits for downtime will be applied to a “per seat” amount. Failure to meet the Small and Small Disadvantaged Subcontracting Participation Plan will be assessed credits on a semi-annual basis. A credit that accrues in any particular fiscal year shall be applied to amounts due for services performed in that fiscal year and cannot carry over into the next fiscal year. These credits shall be in addition to any legal and contractual remedies the Government may choose to pursue as a result of any failure on the part of the Contractor to satisfy the requirements of this contract.

### **6.15.1 CREDIT FOR SERVICE DOWNTIME**

If the Contractor fails to perform to the levels specified within the SLA for the ordered seat, the Contractor shall grant a credit to the Government. Offeror fill in credit plan

### **6.15.2 EXCEPTION TO SERVICE DOWNTIME CREDIT TERMS**

If the Contractor fails to meet the levels specified in the SLA due to causes beyond the control and without the fault or negligence of the Contractor, then the credit terms shall not apply. The PCO shall make such determination.

### **6.15.3 CREDIT FOR FAILURE TO MEET THE SMALL AND SMALL DISADVANTAGED BUSINESS SUBCONTRACTING PARTICIPATION PLAN**

Beginning 6 months after contract award, the Contractor shall submit a copy of Standard Form 294 (Subcontracting Report for Individual Contracts) and a copy of Standard Form 295 (Summary Contract Report) showing actual amounts of subcontracted dollars to small and small disadvantaged businesses. If the actual amount does not meet the contracted plan, the Government shall be entitled to a reduction on contract price in an amount determined to be equitable under the circumstances by the PCO, provided, however, that the reduction for any single (6-month) assessment period shall not exceed \$625,000.

This reporting requirement shall be passed on to first through third tiers subcontractors (except small business concerns) by the prime Contractor. When submitting the Standard Form 294 and Standard Form 295 to the prime Contractor, the subcontractors shall submit a copy of the reports to the Contracting Officer. These reports, along with the prime Contractor’s report, will be used to ensure the actual subcontracting opportunities meet or exceed the subcontracting plan.

## **6.16 TECHNOLOGY IMPROVEMENTS AND REFRESH**

(a) It is expected that the vendor will both refresh and improve upon technology to maintain performance under the contract and also for reasons that benefit the vendor. Technology refresh is considered to be the replacement or addition of components with components of comparable functionality and technology offering expected or predictable cost or performance improvements. Technology insertion is considered to be the replacement or addition of

components with components of significantly different functionality or technology offering unexpected or leaps in performance or cost savings. As technology insertion has the potential to impact the government user, the government desires to work closely with the vendor to support technology insertion initiatives to define changes that are of mutual benefit to the government and the vendor. The Contractor shall independently refresh technology in the equipment and software at no change to the contract price, and in accordance with Attachment 2 (SLA 36C and 36D). Also as part of technology refresh, the NMCI contractor may be required to migrate all user certificates to Target Class 4 PKI and Class 4 tokens in accordance with DoD policy. This shall include providing card readers for Items 0001 through 0004 and tokens (as required) for all NMCI user accounts to support the DoN PKI Target Class 4 PKI implementation strategy for both classified and unclassified networks.

(b) The Contractor shall provide on an annual basis its plan for technology refresh and fielding. As a minimum, the Contractor shall provide the following information annually:

(1) A description of the difference between the existing technology and the proposed change, and the comparative advantages and disadvantages of each;

(2) Itemized requirements of the contract, which must be changed if the proposal is adopted, and the proposed revision to the contract for each such change (to effect no increase in contract price);

(3) An estimate of the changes in performance, if any, that will result from technology refresh;

(4) An evaluation of the effects the proposed technology would have on collateral costs to the Government, such as Government-furnished property costs, costs of related items, and costs of maintenance, operation and conversion (including Government application software).

## **6.17 EXPERTISE TRANSITION REQUIREMENT**

To the extent that any civilian Government employees are or will be incidentally displaced due to the NMCI initiative, the Contractor shall offer one or more positions to each such employee for employment openings under the contract. This contractor obligation applies to comparable positions for which the employee is qualified, if consistent with post-Government employment conflict of interest standards. The Contractor request any up-to-date resume from each incidentally displaced employee to determine his or her qualifications for employment openings. This special requirement shall be included in subcontracts at all tiers in excess of \$500,000.

Any retraining that is needed for a displaced Government employee to fill a position offered by the Contractor is the responsibility of the Contractor and shall be included in the Contractor's offered benefits. Additionally, if possible, displaced employees should be offered jobs within fifty miles of their current duty station.

If and to the extent Item 0033 (or 0133, if the option is exercised) for an Information Technology/Knowledge Management Retraining Program is ordered, the Contractor shall propose a formal information technology/knowledge management retraining program for those potentially displaced Government employees who wish to transition to other available information technology positions within the Government.

## **6.18 ASSOCIATE CONTRACTOR AGREEMENT(ACA)**

The NMCI Contractor shall enter into an ACA with the deferred award Contractor in order to provide a complete two-way exchange mechanism of necessary information, including proprietary information, to support a seamless transition of all NMCI operations. The Government will separately contract with the Deferred Awardee to enter into this ACA with the NMCI Contractor. In addition, the Contractor shall perform the necessary liaison with all Government agencies associated with the NMCI initiative to facilitate the exchange of information.

The duration of the ACA shall be equal to the term of the basic NMCI contract, but not including any awarded option. The agreement shall require the Deferred Awardee to protect all proprietary information from unauthorized use or disclosure for as long as it is proprietary and the Deferred Awardee shall refrain from using the information for any purpose other than that for which it was furnished.

The NMCI Contractor shall assume total responsibility for executing and administering the ACA referenced herein. The NMCI Contractor shall submit the ACA to the PCO for review prior to execution by the Contractors; however, the Government is not a party to the ACA. In the event that a conflict arises between the NMCI Contract and the ACA, the NMCI contract will govern. The ACA shall be entered into within 90 days after contract award.

## **6.19 INSURANCE - WORK ON A GOVERNMENT INSTALLATION**

For purposes of this clause, the minimum coverage required during the term of this contract shall be as follows:

(a) Workers' compensation and employer's liability. Contractors are required to comply with applicable Federal and State workers' compensation and occupational statutes. If occupational diseases are not compensable under those statutes, they shall be covered under the employer's liability section of the insurance policy, except when contract operations are so commingled with a Contractor's commercial operations that it would not be practical to require this coverage. Employer's liability coverage of at least \$100,000 shall be required, except in States with exclusive or monopolistic funds that do not permit workers' compensation to be written by private carriers.

(b) General liability. The contracting officer shall require bodily injury liability insurance coverage written on the comprehensive form of policy of at least \$500,000 per occurrence.

(c) Automobile liability. The contracting officer shall require automobile liability insurance written on the comprehensive form of policy. The policy shall provide for bodily injury and property damage liability covering the operation of all automobiles used in connection with performing the contract. Policies covering automobiles operated in the United States shall provide coverage of at least \$200,000 per person and \$500,000 per occurrence for bodily injury and \$20,000 per occurrence for property damage. The amount of liability coverage on other policies shall be commensurate with any legal requirements of the locality and sufficient to meet normal and customary claims.

## **6.20 ORDER OF PRECEDENCE (This replaces paragraph (s) of 52.212-4)**

- (1) Parts One and Two of this contract;
- (2) The Assignments, Disputes, Payments, Invoice, Other Compliances, and Compliance with Laws Unique to Government Contracts paragraphs of 52.212-4;
- (3) Attachment 2;
- (4) Attachments 1 and 1A;
- (5) Attachment 10;
- (6) The clause at 52.212-5;
- (7) Addenda to this solicitation or contract, including any license agreements for computer software;
- (8) The clause at 52.212-4;
- (9) The Standard Form 1449; and
- (10) Other documents, exhibits, and Attachments 3-9.

#### **6.21 USE OF DEFENSE INFORMATION SYSTEM NETWORK (DISN) (MANDATORY)**

All long-haul services required by the Navy and Marine Corps under this solicitation will be provided by the DISN, augmented as necessary by the Contractor to meet the SLAs (Attachment 2). Augmentation requires Government waivers. DISN long-haul services consist of the following: non-classified voice (Defense Switched Network (DSN) and Hawaii Information Transfer System (HITS)), classified voice (Defense Red Switch Network (DRSN)), non-classified data (non-classified but sensitive internet protocol router network (NIPRNET)), classified data (Secret Internet Protocol Router Network (SIPRNET)), and video teleconferencing (reservation-based and dial-up). Current planning is for DISN services to be provided directly to every Navy and Marine Corps installation requiring service (except for approved Government waivers for augmentation), will interface with the appropriate type of end equipment (such as a PBX, premise router, or multi-point control unit (MCU)) for delivery of that service, and will not be repackaged or resold. All DoD connections to the Internet shall be through NIPRNET, unless the Contractor has been granted a waiver.

#### **6.22 DUE DILIGENCE AND CONDITIONS THAT MAY AFFECT THE PROVISION OF NMCI SERVICES**

(a) The Contractor acknowledges that, in performing due diligence for NMCI, it has taken all steps reasonably necessary to ascertain the nature and location of all efforts required to provide service in accordance with the contractual Service Level Agreements, and that it has investigated and satisfied itself as to any and all general and local conditions which could affect the provision of services or the cost of providing service. The Contractor also acknowledges that it has satisfied itself as to the existence, character, quality, and quantity of any and all conditions that may affect its provision of NMCI services insofar as this information is reasonably ascertainable by inspecting sites receiving NMCI services, including inspecting specifications, drawings, and all other relevant information. Any failure of the Contractor to take

any action described and acknowledged in this paragraph will not relieve the Contractor from responsibility for estimating properly the difficulty and cost of successfully providing service, or for proceeding to successfully provide service without additional expense to the Government.

(b) The Contractor agrees that any reliance that it places on any data or information provided during due diligence shall be at the Contractor's sole risk and detriment. The Government assumes no responsibility for any conclusions or interpretations made by the Contractor based on such data or information. Nor does the Government assume responsibility for any understanding reached or representation made by any of its officers or agents before the execution of this contract concerning conditions which could affect the provision of NMCI services, unless that understanding or representation is expressly stated in this contract.

### **6.23 EXCHANGE/SALE AUTHORITY**

Section 481(c) of Title 40 of the United States Code authorizes executive agencies, in acquiring personal property, to exchange or sell similar items of personal property and apply the exchange allowance or proceeds of the sale as whole or part payment for the property acquired. Acquiring personal property includes equipment and infrastructure under this contract where the Contractor will provide the Government with possession of the replacement equipment and the exclusive right to use such equipment during the term of the contract. All exchange/ sale transactions also shall be in accordance with 41 C.F.R. 101.46.

Line Item prices under this contract have been established based upon the use of exchange/sale authority wherein the Department of the Navy has agreed to exchange its existing IT infrastructure with the Contractor in the process of acquiring the infrastructure necessary to provide all required NMCI services under this contract. Accordingly, the Contractor agrees to provide the Government with possession and exclusive right to use all equipment and infrastructure dedicated solely to NMCI during the term of this contract.

### **6.24 USE OF ENTERPRISE-WIDE SOFTWARE**

Many contract vehicles are available for enterprise-wide software licensing for the vendors' software products. The Contractor is not required to use any of these vehicles. If the Contractor desires to use any of these vehicles, DoN is responsible for coordinating such use. A specific listing of products may be found on the following web sites: <http://www.doncio.navy.mil/esi/> and <http://itec-direct.navy.mil>. Future products will also be made available at those websites. The following is a list of some licenses that are available:

(1) Oracle, (2) Informix, (3) Sybase, (4) Microsoft Visio, (5) Corel, (5) McAfee & (6) Symantec (formerly Norton) AntiVirus, (7) Netscape, (8) Novell, (9) Open Text, (10) Provenance, (11) Tower and (12) Persoft.

### **6.25 ASSUMPTION OF RESPONSIBILITY FOR EXISTING VOICE INFRASTRUCTURE**

The contractor shall assume responsibility for the operation of the existing voice infrastructure in accordance with individual orders. Prior to and following placement of orders, and in accordance with 6.23 of Part Two, the NMCI contractor agrees to provide the Government with possession and exclusive right to use all voice equipment and infrastructure dedicated solely to NMCI during the term of the contract. The contractor agrees that the Government will retain responsibility for operations and maintenance of existing voice infrastructure until the negotiated

assumption of responsibility date. The contractor agrees that the responsibility will shift at the agreed upon assumption of responsibility date.

**Part Three – List of Attachments**

Attachment 1	Statement of Objectives
Attachment 1A	Integrated Master Schedule
Attachment 2	Service Level Agreements
Attachment 3	Shore Rotation Requirements
Attachment 4	NMCI Security Requirements
Attachment 5	NMCI Security Policy
Attachment 6	NMCI Security Functions Concept of Operations (CONOPS)
Attachment 7	DD Form 254 – added at award
Attachment 8	NMCI Specifications – SMART Card
Attachment 9	Configuration Management
Attachment 10	NMCI Interface Control Document
Attachment 11 (Information Document)	NMCI Active Computer Network Strategy
Attachment 12 (Information Document)	Full Services Directory
Attachment 13 (Information Document)	DON Information Technology Infrastructure Architecture (ITIA)
Attachment 14 (Information Document)	DON Information Technology Standards Guidance (ITSG)
Attachment 15 (Information Document)	DoN IT Locations Data
Attachment 16 (Solicitation Document Only)	Design Reference Mission
Attachment 17 (Solicitation Document Only)	NMCI Service Sets
Attachment 18 (Solicitation Document Only)	NMCI Demonstration

The attachments labeled “Information Document” are provided for information only; any inconsistencies between information contained in these documents and the contract shall be resolved by giving precedence to the contract. The attachments labeled “Solicitation Document Only” are applicable to the solicitation, and will not be a part of the resultant contract.

**Part Four(a) – Instructions to Offerors (Initial Proposals)**

see Part Four(b) for Revised Proposal Instructions  
 FAR 52.212-1 INSTRUCTIONS TO OFFERORS – COMMERCIAL ITEMS (NOV 1999)

**Paragraph (b) of 52.212-1, Submission of Offers** is revised to include the following requirements specific to this acquisition:

(b) Submit offers in separate parts as set forth below. There are no page limits; however, the Government does not expect or desire unnecessarily long or elaborate proposals beyond those sufficient to present a complete and effective response to this solicitation.

<b>Item</b>	<b>Format</b>	<b>Time of Submission</b>	<b>Comments</b>
Organizational Conflict of Interest Letter	e-mail	NLT 1400 EST 19 January 2000	e-mail address: <a href="mailto:benningj@navsea.navy.mil">benningj@navsea.navy.mil</a>
Questions	e-mail	NLT 1400 EST 28 January 2000	e-mail address: <a href="mailto:benningj@navsea.navy.mil">benningj@navsea.navy.mil</a>
<b>Written Proposal</b>			
1. Pass/Fail Criterion	Written and 3.5" floppy disk or CD	Solicitation closing date	
2. Integrated Master Schedule	Written and 3.5" floppy disk or CD	Solicitation closing date	
3. Small and Small Disadvantaged Business Participation Plan	Written and 3.5" floppy disk or CD	Solicitation closing date	
4. Past Performance	Written and 3.5" floppy disk or CD	NLT 1000 EST 18 January 2000	
5. Price	Written and 3.5" floppy disk or CD	Solicitation closing date	
6. Proposed Contract	Written and 3.5" floppy disk or CD	Solicitation closing date	
7. Oral Presentation Slides	Written and 3.5" floppy disk or CD	Solicitation closing date	
<b>Oral Presentation</b>			Total of Five Hours allowed for entire Oral Presentation, exclusive of the question and answer session.
1. Technical Approach			Presentations will be scheduled after the solicitation closing date
2. Management Plan and Transition Approach			Presentations will be scheduled after the solicitation closing date

Offerors shall submit two (2) hard copies (one original and one copy) of their proposals and two (2) electronic copies of each volume on separate 3.5" floppy disks or CD.

## INSTRUCTIONS TO OFFERORS

### 1.1 INTRODUCTION

It is the Government's intent to award one (1) NMCI contract on the basis of best value to the Government. However, the Government will also consider one otherwise unsuccessful offeror for a deferred award under this solicitation (Item 0037 for a Deferred Award Option Contract.) Submission of a price for Item 0037 is purely voluntary; however, if an offeror submits a price for Item 0037, it irrevocably agrees to:

1) to enter into a contract to extend the validity date of their entire proposal for not less than sixty (60) months, at the agreed-upon price, and

2) to maintain, for a period not less than sixty (60) months, a corporate enterprise and team state of readiness, such that upon one hundred and eighty (180) days written notice from the Government, and in accordance with its original NMCI proposal, the deferred awardee is prepared and ready to supplant the efforts of the NMCI prime awardee. Additionally, the deferred awardee shall report its status regarding its state of readiness to assume NMCI efforts every six months following award.

To be eligible for a deferred award, an offeror shall:

- 1) be an offeror not selected for the NMCI award but which meets the pass/fail criterion, and has not previously been removed from the competitive range;
- 2) have submitted an irrevocable deferred award offer; and
- 3) agree to execute the NMCI Associate Contractor's Agreement as specified herein.

In the event the NMCI awardee fails to successfully meet the requirements of the contract or the contract is terminated for any other reason, the Government may make award, previously deferred, to the deferred awardee, in order to supplant the efforts of the initial awardee. In the event the need arises within the period of performance of the NMCI contract, the Government may, after 180 days written notice, unilaterally make award to the deferred awardee. All terms and conditions of the contract shall then be in full force and effect.

Offerors are required to submit an initial proposal and may be required to submit a proposal update following due diligence to incorporate final proposal revisions. The provision provided at DFARS 252.217-7002 may apply to final proposal revisions. Initial proposals shall address all requirements of the solicitation and assume no infrastructure exists within DoN (see Attachment 15 for all DoN locations). The assumptions regarding site support for all Offerors are provided in Part Two of this solicitation. Any additional assumptions made by Offerors shall be clearly identified in their proposals. Offerors shall submit a proposal for the following alternatives, which complies with all terms, conditions, and nominal SLAs in Attachment 2:

Alternate 1: Assumes use of DISN only.

Alternate 2: Assumes use of DISN plus commercial alternatives.

Offerors are encouraged to submit an alternative proposal which provides an optimal NMCI solution. As part of this proposal, offerors may propose their optimal contracts which they believe provide the best value to the Government but may provide for proposed service levels which may vary from the nominal values set forth in Attachment 2. As part of the optimum proposal, the offeror is also to propose the most cost effective security architecture and

approach for classified information. The offeror's proposal may range from the minimum of providing transport of encrypted, classified traffic between Government protected facilities to providing the full range of hosting, operation, and support of Government provided tactical (classified) applications. The offeror should provide the rationale for tradeoffs in this area. Additionally, the offeror may propose alternate payment provisions. The offeror may also propose relief from Attachment 10 requirements for Joint Technical Architecture (JTA) compliance where the offeror believes JTA requirements are either not applicable or an alternative approach provides a better value to the Government. In this connection, offerors are reminded that the baseline service performance values (SLAs) set forth in Attachment 2 are not minimum Government requirements; rather, they are nominal, benchmark values which reflect best practices within the commercial sector. Accordingly, without revising in any manner the requirements of this Solicitation, the Government may accept any proposed "optimal" solution regardless of whether or not all proposed SLAs meet or exceed the SLAs set forth in Attachment 2. However, offerors are reminded that any variation in proposed service levels and/or security provisions will be considered by Government evaluators in assessing the technical merit of any such proposed "optimal" solution in accordance with the evaluation factors and subfactors set forth in Part Five of this Solicitation.

## 1.2 GENERAL INSTRUCTIONS

Offerors are required to submit a written proposal and make an oral presentation. Offerors should demonstrate their understanding of the requirements of the solicitation and provide approaches for meeting those requirements. The offeror is encouraged to propose and discuss innovative techniques and processes to execute NMCI requirements. The offeror shall provide a complete explanation of the proposed techniques and procedures and identify any assumptions made. As supporting evidence, offerors should provide any modeling and simulation results, performance data, previous analyses, or data from the offeror's existing networks.

***Offers must be received at Naval Sea Systems Command (NAVSEA) no later than 10:00 AM EST 14 February 2000.***

Offers must be sent or delivered to Commander, Naval Sea Systems Command (Attn: Ms. Joan Benning, Code 026); Room 5E40, 2531 Jefferson Davis Highway; Arlington, VA 22242. If delivered by courier, the address is the same; however, in order to gain access to the building the offeror must call for pickup from the main lobby. The phone number is 602-7707x610. In order to ensure proper handling of all offers, please mark your offer with "PROPOSAL" and "SOLICITATION N00024-00-R-6000."

Offers must be received in accordance with the formats and dates specified herein. Offers submitted via email or facsimile will not be accepted.

The written proposal shall consist of: (1) pass/fail criterion; (2) integrated schedule; (3) small and small disadvantaged business participation plan; (4) past performance information; (5) price; (6) signed contract; and (7) slides for oral presentation.

All documents shall be prepared in Microsoft Windows '97 applications.

The oral presentation will address the offerors' technical approach, transition approach and management plan, and any other items the offeror deems significant. The oral presentation shall be given primary consideration; the briefing slides submitted will be used as secondary

resources only. Slides submitted but not used in the oral presentation will not be considered in an offeror's evaluation.

### 1.3 WRITTEN PROPOSAL

#### 1.3.1 Pass/Fail Criterion

Corporate Experience: Offerors must demonstrate experience managing a similar effort of 100,000 or more seats at one time. The 100,000 seat threshold can be satisfied through multiple efforts, but at least one effort must be at least 20,000 seats. Offerors must complete the Corporate Experience Matrix provided at the end of this section to demonstrate compliance with this requirement. Experience may include that of all team members in joint ventures as well as major subcontractors identified within the proposal.

#### 1.3.2 Integrated Master Schedule

Assuming a contract award of June 2000, offerors must provide an integrated schedule including major milestones and phasing for the entire effort (see Attachment 15 for all locations) leading up to an Initial Operating Capability (IOC) date of 31 December 2001 and to a Full Operational Capability date of 31 December 2002. When final proposal revisions are requested, initial delivery order quantities and locations will be defined at that time. Offerors which submit an optimal proposal are encouraged to propose alternate IOC and FOC definitions or dates that provide a better value to the Government. The integrated master schedule should contain enough detail (including task definitions and narrative where necessary) on the management and transition aspects of the NMCI to allow for incorporation into the offeror's proposed contract.

#### 1.3.3 Small and Small Disadvantaged Business Participation

Subfactor (1): Offerors shall describe their method to ensure compliance with the small and small disadvantaged business requirements set forth in this solicitation. Offerors shall also describe the disciplines small businesses will perform under this contract. Additionally, Offerors shall describe their method to ensure compliance with the 10% small and small disadvantaged subcontracting requirement to their first tier subcontractors.

Subfactor (2): Offerors shall describe their plan for integration of small and small disadvantaged businesses currently performing information technology functions for the DoN at all Navy and Marine Corps sites to be included under the NMCI contract.

First, second, and third tier subcontracts planned for award to small businesses certified under the 73 or 48 series of the SIC codes may be included for purposes of meeting the 35% requirement. Each subcontract can only be counted once. The Contractor shall subcontract ten percent of the 35 percent requirement with first tier subcontractors.

As part of the Small and Small Disadvantaged Business Participation Plan, Offerors shall identify all subcontractors for any subcontract which has been established. Note that the easiest way for offerors to find HUB Zone and other small and small disadvantaged business concerns, offerors can use the Small Business Administration's Pronet website (<http://pro-net.sba.gov/pro-net/register.html>) and the listing of interested sources on the NMCI website (<http://www.contracts.hq.navy.mil/nmci/>).

#### 1.3.4 Past Performance

Offerors must complete the Past Performance Matrix provided at the end of this section, at least for each effort described in the Corporate Experience Matrix. Offerors are also encouraged to include in the attachment any other efforts which demonstrate its relevant past performance. Offerors should explain any past performance problems and resolutions. Offerors that are joint ventures shall provide the same information for each team member. The Government reserves the right to review other relevant information from any sources reasonably available to the PCO.

### 1.3.5 Price

Offerors are required to complete Part One of this solicitation for the following two alternatives:

Alternate 1: Assuming use of DISN for wide area access

Alternate 2: Assuming combined use of DISN augmented with commercial alternatives for wide area access

In addition, offerors must complete Part One of this solicitation for its optimal proposal.

DISN long-haul services will be provided to the NMCI Contractor by the Navy at no cost to the Contractor. In preparing proposal costs, Offerors should use a cost of \$0 for use of DISN for wide area services. Should the Offeror choose to augment DISN services, or propose an alternative to DISN services, the cost for that augmentation or alternative approach must be included in the total bid price, and must be fully visible for evaluation purposes. In the event of either augmentation or an alternative approach, a Government waiver from DoD long-haul policy must be obtained. Accordingly, the Offeror must provide an analysis and justification sufficient to support the waiver with its proposal.

For all alternatives proposed, offers must provide a percent breakdown of the unit price for Items 0001 through 0006, 0010, and 0011 for the following areas. The total percent must add up to 100%.

Hardware  
Software  
Labor - Operations  
Labor – Administration/Management  
Labor – Transition  
Cable Plant

Additionally, for all alternatives proposed, offerors must provide a depreciation schedule for their proposed capital investments relating to this effort.

Upon Contracting Officer request, any or all of the following shall be furnished within five days:

(1) Balance Sheet and Statement of Income and Retained earnings for the last three accounting years, prepared and certified by an independent public accountant and including its comments and notes. If the company is publicly held, the Annual Report to stockholders will contain these statements with certification.

(2) Interim Balance Sheet and Statement of Income and Retained Earnings for the period ending not more than sixty (60) days prior to the proposal due date. If these statements are prepared by management, a corporate officer must certify as follows:

"To the best of my knowledge, the accompanying Balance Sheet and Statements of Income and Retained Earnings present fairly the financial portion of (company) on (date) and the results of its operations for the period then ended, conform with generally accepted accounting principles applied on a basis consistent with that of the preceding year."

- (3) For the past three years a list of fixed expenses (i.e. taxes, leases).
- (4) Company-wide cash flow projection for the period of contract performance.
- (5) Company-wide current aging of accounts receivable.
- (6) Company-wide current aging of accounts payable with each account past due ninety (90) days or more designated.
- (7) Backlog and dollar value of Government and Commercial contracts on hand.
- (8) Any known contingencies which may adversely affect cash flow during the performance period of this effort (i.e. tax liabilities, lawsuits).
- (9) Any additional financial information necessary to substantiate the Offeror's price breakdown.
- (10) Letter from bank or other lending institution, regarding existing or contemplated financing, setting forth the maximum amount available, amount available at time of the bid or proposal, terms and conditions of the loan and any restrictions imposed by the terms thereof.
- (11) A Corporate Guarantee from the Corporate Parent Company of the Offeror. Such Guarantee, to be submitted in a form acceptable to the Government, shall provide for the unconditional guarantee by the Corporate Parent of the full and faithful performance of the contract by its subsidiary. The Contracting Officer may request such a Guarantee of the apparent successful Offeror prior to award based on the Offeror's financial condition.

#### 1.3.6 Contract

Offerors must submit its proposed contract(s) in the following format:

- Part 1: Signed Proposal cover sheet and copy of SF 1449
- Part 2: Parts One , Two, Three, and Six of this solicitation, with all blanks filled in
- Part 3: Attachments 1-10
- Part 4: Small and Small Disadvantaged Business Participation Plan
- Part 5: Deferred Award Plan (if Item 0037 is proposed) and Exit Transition Plan

#### 1.3.7 Oral Presentation Slides

Offerors must submit a copy of the slides it will use to support its oral presentation. Slides will not be considered to form part of the Offeror's proposal; accordingly, any inconsistency between the slides and information included in the oral presentation will be resolved by giving precedence to the oral presentation. There are no size restrictions; however slides which are not addressed will not be used for evaluation purposes. Slides submitted with the written proposal may not be changed or altered for its oral presentation. Offerors may mark slides in

accordance with FAR 52.215-12, Restrictions on Disclosure and Use of Data, as appropriate, and may place their name and company logo on the slides.

#### *1.4 ORAL PRESENTATION*

Oral presentations will be limited to five hours, exclusive of breaks. Offerors that submit an optimal contract proposal will not be given additional time. The order in which offerors will make their oral presentations will be determined by a random drawing conducted by the Contracting Officer after receipt of proposals. Oral presentations will be scheduled to begin no later than a week after receipt of proposals. Offerors will be notified of their scheduled presentation date, time. They will be held in San Diego, CA.. The Government will videotape the oral proposals.

The offeror shall identify its participants by name and association. Offeror attendance is limited to ten people. The principal presenter shall be the Program Manager assigned to this initiative.

Offerors must provide their own computer equipment and electronic projection systems, if they intend to use electronic media. The Government will provide an overhead projector and projection screen.

On the day after the presentation, the Government will conduct a question and answer session with the offeror. The oral presentation and question and answer session will not constitute discussions, as defined by FAR Part 15, and will not obligate the Government to determine a competitive range, conduct discussions, or solicit final proposal revisions. Accordingly, responses provided by offerors during these sessions shall be for the sole purpose of clarifying information provided in the oral presentation and shall not in any way modify or supplement the Offeror's initial proposals. The question and answer session could last up to four hours. The offeror may bring additional personnel to the question and answer session to provide expert insight. Offerors are also permitted outside communications during the question and answer session.

#### *FACTOR ONE: TECHNICAL APPROACH*

Based on the requirements contained in the Statement of Objectives, and consistent with all attachments to the solicitation, offerors shall provide a detailed explanation of their technical solutions. Offerors shall describe the proposed architectures and network topologies for both DISN-only and DISN plus commercial alternatives. DISN interface points shall be clearly identified. Offerors shall assume that no infrastructure exists within the DoN.

Offerors shall define their proposed architectures and network topologies, including discussions regarding infrastructure, hardware and software, and physical and logical laydowns of the networks and scalability. Offerors shall also include a detailed description of their concept of operations, with particular emphasis on network and security management.

In accordance with service level component measures listed in Attachment 2, offerors are instructed to submit with their responses levels of performance consistent with industry standard target performance measures, referred to as the baseline "B" values. Each offeror is also encouraged to provide an optimal solution that may provide alternative service values different from the baseline values. Each offeror's technical approach should be described in sufficient detail to demonstrate their ability to successfully achieve and sustain proposed service levels.

To facilitate oral presentation and technical evaluation of the over 60 service elements, Attachment 17, NMCI Service Sets, provides suggested groupings into 10 NMCI service sets. These sets are referred to in the questions associated with technical subfactors that follow.

*SUBFACTOR (1): INTEROPERABILITY*

Describe how the NMCI will achieve joint interoperability and interface compliance with specifications described in the NMCI Interface Control Document, Attachment 10. These include the Joint Technical Architecture and interfaces with the DISN (Secret Internet Protocol Routing Network and Non-classified Internet Protocol Routing Network), Marine Corps Enterprise Network, IT-21, the MCTN, the Defense Switched Network (DSN), and other external networks (e.g. Defense Research and Engineering Network (DREN), DON OCONUS networks).

*SUBFACTOR (2): SECURITY AND INFORMATION ASSURANCE*

- (1) Describe the proposed security architecture and provisions for each NMCI service set. Address the entire security architecture including infrastructure, network operation centers, help desks, and individual seats.
- (2) Identify specific security-critical products to implement the proposed architecture. This identification shall include alternatives considered and rationale for their selection, including cost, performance, security effectiveness, and residual vulnerabilities.
- (3) Describe offeror/Government relationship for reporting and enforcement of security policy consistent with the notional NMCI Security Functions Concept of Operations (CONOPS), provided as Attachment 6.
- (4) Describe the offeror's Security CONOPS. Describe the use of the proposed architecture and products to operate the NMCI from a security point-of-view. This description shall describe both the "static" and "dynamic" aspects of Information Assurance in the NMCI. The "static" portion of the SECONOPS should focus on the inherent features of the equipment, "hardening" of the infrastructure and typical environmental considerations (e.g., physical, personnel and administrative security). The "dynamic" portion should address topics such as: interaction with the Navy Component Task Force Computer Network Defense (CND) and Marine Force CND; approaches to implement the concepts of the NMCI Active Computer Network Defense Strategy: Cyber-Centric Maneuver Warfare paper (Attachment 11); and implementation of INFOCONS and dynamic security policies.
- (5) Describe the proposed approach to support Certification and Accreditation per DODI 5200.40, DoD Information Technology Security Certification and Accreditation Process (DITSCAP).
- (6) Describe the proposed approach for maintaining and improving the security posture of the NMCI.
- (7) If the offeror (as part of the optimal proposal) chooses to propose less than the full range of services for classified information services (full hosting, operation, and support of classified tactical applications), the proposal will describe the rationale for price/service tradeoffs including facility, personnel, and complexity considerations.

*SUBFACTOR (3): END-TO-END PERFORMANCE*

- (1) Identify core technologies for each of the NMCI service seats and give rationale for selection: Workstation Service, Network Transport Service, Non-classified Network Service, Secret Network Service, Fixed Voice Service, Mobile Data (Wireless) Service, Paging Service, Mobile Telephone Service, Customer Support Service, Training Service.
- (2) Describe how the offeror will achieve architectural efficacy using innovation and consolidation. Address how voice, video and data will be transported over the network and delivered to the user.
- (3) Describe system features that the offeror will implement into NMCI that will ensure high reliability, availability, and continuity of operations of each of the NMCI service sets (Attachment 17) in the event of component failures, stress conditions, surge due to heightened operations and/or natural disasters.
- (4) Describe the offeror's approach to technology refresh and network scalability.
- (5) Provide a method for monitoring SLA compliance.
- (6) Describe how NMCI will interface with the operational Fleet information infrastructure at MCEN Network Operations Centers (NOCs), IT-21 NOCs, MCTN, pier interfaces and other tactical entry points.
- (7) Describe approach NMCI training and how that will be implemented.
- (8) Describe approach to fulfilling the NMCI requirements for embarkable assets, including large deployments with limited notice and reintegration upon completion of deployment.

*FACTOR TWO: MANAGEMENT PLAN AND TRANSITION APPROACH*

The offeror shall present its broad understanding of the NMCI requirement and its approach to managing the transition from the current state to the future state and a transition plan for the end of the contract. The offeror shall include specific management approaches to be used in completing the NMCI requirements and shall demonstrate the degree to which the proposed approach provides for effective organization, control, quality of services, and price. The offerors shall also demonstrate its plan for managing the NMCI over the life of the contract, particularly addressing processes for technology insertion and refreshment, processes for measuring and fulfilling user requirements, and billing and invoicing procedures.

*SUBFACTOR (1): MANAGEMENT PLAN*

Offerors shall describe their approaches to the following:

- Management structure and organization
- Change management approach
- Subcontractor management
- Describe the process and management system to be used to receive, terminate, deliver, maintain, and close out all placed orders
- Describe the accounting method and system which will manage NMCI obligations, accruals, expenditures, payments, and unfilled orders
- Describe billing and auditing procedures and intervals
- Describe its internet-based methodology to electronically order and bill NMCI services
- Identification of GFI/GFE requirements and management process for assets provided

*SUBFACTOR (2): TRANSITION APPROACH*

Offerors shall include detailed descriptions of:

- Strategy to migrate from existing networks to the proposed NMCI without loss of service
- Surge workforce supplement approach
- Significant risks associated with the implementation of NMCI (cost, schedule, performance) and the mitigation plans for each identified risk area
- Strategy/plan for exit transition in the event that this contract is terminated or upon expiration of the contract in accordance with Part 2 of this RFP

*SUBFACTOR (3): PERSONNEL UTILIZATION*

Offerors shall describe their plan to support service members skill maintenance in accordance with Items 0031 and, if the option is exercised, 0131 and placement of incidentally displaced federal workers.

**Paragraph (c) of 52.212-1, Period for Acceptance of Offers** is revised to include the following requirements specific to this acquisition:

The offeror agrees to hold its offer firm for 270 calendar days from the date specified for receipt of offers.

**TYPE OF CONTRACT**

The Government contemplates award of a firm fixed price contract with performance incentives resulting from this solicitation.

<b>Corporate Experience Matrix</b>		
<b>NAME OF OFFEROR:</b>	<b>OFFEROR RESPONSES</b>	
<b>Question</b>	<b>Yes/No</b>	<b>Describe compliance</b>
1. Have you managed similar efforts of 100,000 or more seats at the same time?	<input type="checkbox"/> Yes <input type="checkbox"/> No	List contract number(s) and describe how efforts meet 100,000 seat requirement
2. Have you managed one effort for at least 20,000 seats?	<input type="checkbox"/> Yes <input type="checkbox"/> No	List contract number and describe how effort meets 20,000 seat requirement

**PAST PERFORMANCE MATRIX**

(1) Prime Contract Number	(2) Prime Contract Type	(3) Program Title & Brief Description of Work Performed (incl. Unique Aspects)	(4) P/S	(5) Contract \$ (Award)	(6) % of Effort	(7) POC	(8) POC Telephone Number	(9) POC Email
(10)	Self-Assessment: Address 1) quality of service provided 2) customer satisfaction 3) effectiveness of management. Discuss any problems and how you were able to resolve special problems as well as difficulties in meeting performance requirements. Identify quality awards.							
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*(Chart compressed to fit page. Offerors may expand and format for a landscaped page.)*

- (1) Contract No./Delivery Order
- (2) Contract/Delivery Order Type
- (3) Program Title, including brief (50 words or less) description of work performed.
- (4) Enter P if performed as a prime Contractor or S if performed as a Subcontractor.
- (5) Contract dollar value at time of award, present time or completion time as appropriate.
- (6) Percentage of effort performed a prime or subcontractor.
- (7) Point of Contact for Customer
- (8) Telephone number for Point of Contact
- (9) POC Email
- (10) Self-Assessment

## Part Four(b) – Instructions to Offerors (Revised Proposals)

### 1.0 Deferred Award

It is the Government's intent to award one (1) NMCI contract on the basis of best value to the Government. However, the Government will also consider one otherwise unsuccessful offeror for a deferred award under this solicitation (Item 0037 for a Deferred Award Option Contract.) Submission of a price for Item 0037 is purely voluntary; however, if an offeror submits a price for Item 0037, it irrevocably agrees to:

1) to enter into a contract to extend the validity date of its entire proposal for not less than sixty (60) months, at the agreed-upon price, and

2) to maintain, for a period not less than sixty (60) months, a corporate enterprise and team state of readiness, such that upon one hundred and eighty (180) days written notice from the Government, and in accordance with its original NMCI proposal, the deferred awardee is prepared and ready to supplant the efforts of the NMCI prime awardee. Additionally, the deferred awardee shall report its status regarding its state of readiness to assume NMCI efforts every six months following award.

To be eligible for a deferred award, an offeror must:

- 1) be an offeror not selected for the NMCI award but which meets the pass/fail criterion, and has not previously been removed from the competitive range;
- 2) have submitted an irrevocable deferred award offer; and
- 3) agree to execute the NMCI Associate Contractor's Agreement as specified herein.

In the event the NMCI awardee fails to successfully meet the requirements of the contract or the contract is terminated for any other reason, the Government may make award, previously deferred, to the deferred awardee, in order to supplant the efforts of the initial awardee. In the event the need arises within the period of performance of the NMCI contract, the Government may, after 180 days written notice, unilaterally make award to the deferred awardee. All terms and conditions of the contract shall then be in full force and effect.

### 2.0 Revised Proposals

Offerors shall submit a revised proposal as stated herein, and final proposal revisions will be requested following discussions and due diligence. The factors provided in Part Four(a) and Five remain the same; revised proposals and final proposal revisions should address changes resulting from due diligence, discussions, or other events. Offerors' proposals must address the following alternatives, and comply with all terms and conditions of this solicitation and its attachments:

Alternate 1: Assumes use of DISN only (see 6.21 of Part Two)

Alternate 2: Assumes use of DISN plus commercial alternatives

Item	Due Date	Format	Delivery Location	Comments
Revised Proposal	30 May 2000 (Time to be specified under separate cover)	70 paper copies and 2 CDs	COMNAVSEASYSCOM Attn: Joan Benning Code 026 Room 5E40 2531 Jeff Davis Hwy Arlington VA 22242	If delivered by courier, call for pickup from downstairs at 602.7707x610
<p>Offerors shall include the following in its revised proposal. Offerors shall address each part for Alternate 1 and Alternate 2:</p> <p><b>Part One:</b> A description of what has changed (including all factors) as a result of discussions and due diligence. For this part, the Government expects a narrative, or discussion of what has changed.</p> <p><b>Part Two:</b> Signed proposal cover sheet and Parts One, Two, Three, and Six of this Solicitation, with all changes (from the Government's baseline) clearly marked. Offerors shall not include prices in Part One or any other part of its revised proposal. For this part, the Government desires that any changes be clearly marked (from the Government's baseline). Change pages, underlined text, or any other method which CLEARLY shows what changes the offeror is proposing are acceptable.</p> <p><b>Part Three:</b> Any proposed changes to Attachments 1-10 (i.e., if offeror is not proposing any changes to the attachments, it does not need to resubmit them). For this part, the Government desires that any changes be clearly marked (from the Government's baseline). Change pages, underlined text, or any other method which CLEARLY shows what changes the offeror is proposing are acceptable.</p> <p><b>Part Four:</b> Any proposed changes to the Small and Small Disadvantaged Business Participation Plan, Deferred Award Plan, Integrated Master Schedule, and Exit Transition Plan (i.e., if offeror is not proposing any changes to the plan, it does not need to resubmit them). For this part, the Government expects a narrative, or discussion of what has changed. If the offeror wishes to resubmit the whole plan, it may.</p> <p>Additionally, in lieu of a complete optimal proposal, offerors shall present a discussion of proposed changes to the contract. As part of this discussion, offerors may propose "best value" considerations, including service levels which vary from those set forth in Attachment 2 and alternate terms and conditions. The offeror should provide rationale for tradeoffs in the areas it proposes changes. For example, if an offeror proposes lowering a service level, it should present the associated benefit.</p>				
Revised Oral Presentation	Start approximately 5 June	70 paper copies of the brief, 5 cds	<u>Xerox Document University</u> Route 7 and Route 659 Leesburg, Virginia 20176 (Exact Delivery Location to be provided later)	2 hour presentation 50 slide limit

Offerors shall present changes to their initial oral proposals (including both the technical and management/transition factors) in these presentations. Information that was initially presented but did not change need not be presented again. Following the two hour presentation, a discussion session with questions and answers will be held. The presentation will be video-taped, but not the discussion session. If offerors desire a copy, they should follow same procedures as provided for the initial oral proposal. Offeror attendance is limited to thirty people. Offerors must provide any and all equipment it intends to use.

In order to get access to the facility, offerors must send a list of its participants to Joan Benning ([benningj@navsea.navy.mil](mailto:benningj@navsea.navy.mil)) no later than two days prior to their presentation.

Final Proposal Revision	10:00 A.M. EST on 19 June 2000	5 CDs. See below for other requirements.	<u>Xerox Document University</u> Route 7 and Route 659 Leesburg, Virginia 20176	Contract, Attachments 1-15, IMS
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The final proposal revision shall include the offeror's complete commitment. In this regard, the offeror shall include a narrative discussion of any differences between this solicitation and its proposed contract. Do not re-submit any slides used in the oral presentation. The proposal shall consist of an Alternate 1 proposal and an Alternate 2 proposal. Offerors shall use the latest version of the solicitation as a baseline and clearly mark all proposed changes. It shall include the following parts. These two proposals MUST comply with the terms and conditions set forth in this solicitation and attachments. In addition to these proposals, if the offeror chooses, it may submit an "optimal alternate" for either or both Alternate 1 and Alternate 2 assumptions. It may present its best value proposal that may not meet our stated minimum requirements, but that clearly articulates tradeoff decisions made (cost, delivery, performance, or other). That is, offerors can choose to submit relaxed requirements that provide for lower SLAs in its optimal proposal if it clearly shows the advantages of doing so. Interoperability, Security, end-to-end performance, and any mission critical level of service WILL NOT be acceptable to the Government; the exception is SLA 5, Performance Category 4. Offerors may (in their optimal proposal) submit alternate service levels for that end-to-end SLA for remote locations. If an offeror chooses to submit an optimal proposal and associated contract, it must be complete and separate from the mandatory alternates.

In Part Two, Clause 5.6, the offeror shall provide a comprehensive list of exactly what it requires with regard to 5.6 of Part Two of this Solicitation. For example, for a required facility, it shall provide city/state, base, building, square feet, and anything else required. Also, offerors shall provide explicit information regarding the amount etc. of DISN required for both Alternates.

<p><b><u>Alternate 1 Proposal (See 6.21)</u></b></p> <p><b>Alternate 1, Part 1 (55 copies)</b></p> <ul style="list-style-type: none"> <li>• Signed Proposal Cover Sheet and Copy of SF 1449</li> <li>• Parts One (including a catalog (Item 0023), Two, Three, and Six of this solicitation, with all blanks filled in. DO NOT INCLUDE PRICES IN THIS PART.</li> </ul> <p><b>Alternate 1, Part 2 (2 copies)</b></p> <ul style="list-style-type: none"> <li>• Attachments 1 through 10</li> </ul> <p><b>Alternate 1, Part 3 (5 copies)</b></p> <ul style="list-style-type: none"> <li>• Small and Small Disadvantaged Business Participation Plan</li> </ul> <p><b>Alternate 1, Part 4 (5 copies)</b></p> <ul style="list-style-type: none"> <li>• Deferred Award Plan</li> </ul> <p><b>Alternate 1, Part 5 (20 copies)</b></p> <ul style="list-style-type: none"> <li>• Integrated Master Schedule (Attachment 1A) (This must consist of the Government-provided phase-in schedule as well as the offeror's IMS)</li> </ul> <p><b>Alternate 1, Part 6 (20 copies)</b></p> <ul style="list-style-type: none"> <li>• Exit Transition Plan</li> </ul>	<p><b><u>Alternate 2 Proposal</u></b></p> <p><b>Alternate 2, Part 1 (55 copies)</b></p> <ul style="list-style-type: none"> <li>• Signed Proposal Cover Sheet and Copy of SF 1449</li> <li>• Parts One (including a catalog [Item 0023] without prices), Two, Three, and Six of this solicitation, with all blanks filled in. DO NOT INCLUDE PRICES IN THIS PART.</li> </ul> <p><b>Alternate 2, Part 2 (2 copies)</b></p> <ul style="list-style-type: none"> <li>• Attachments 1 through 10</li> </ul> <p><b>Alternate 2, Part 3 (5 copies)</b></p> <ul style="list-style-type: none"> <li>• Small and Small Disadvantaged Business Participation Plan</li> </ul> <p><b>Alternate 2, Part 4 (5 copies)</b></p> <ul style="list-style-type: none"> <li>• Deferred Award Plan</li> </ul> <p><b>Alternate 2, Part 5 (20 copies)</b></p> <ul style="list-style-type: none"> <li>• Integrated Master Schedule (Attachment 1A) (This must consist of the Government-provided phase-in schedule as well as the offeror's IMS)</li> </ul> <p><b>Alternate 2, Part 6 (20 copies)</b></p> <ul style="list-style-type: none"> <li>• Exit Transition Plan</li> </ul>
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<p style="text-align: center;"><b>ALTERNATE 1, PRICE PROPOSAL</b> (5 paper copies, 1 CD)</p> <p><b>Section 1 - Pricing Tables:</b> Offerors shall complete Part One of the solicitation. Do not provide additional tables. Assume a cost of \$0 for use of the DISN. The prices provided per service throughout the basic contract shall be constant and level; similarly, the prices provided per service throughout the option year shall be constant. For example, if the monthly price for Item 0001 is \$1 in year one, it shall be \$1 in year five.</p> <p><b>Section 2 – Price Rationale:</b> Offerors shall provide a rationale for the change in prices from the initial proposal, if applicable.</p> <p><b>Section 3 – Sale/Exchange Credit:</b> As the clause at DFARS 252.217-7002 will apply, offerors must clearly show the amount of credit applied towards the overall price for the USN and USMC, separately. With regard to the credit, offerors shall provide a list of credits per location visited during due diligence, and the methodology for determining the remainder of the credits.</p> <p><b>Section 4 – Percent Breakdown:</b> Offers must provide a percent breakdown of the unit price for Items 0001 through 0006, 0010, and 0011 for the following areas. The total percent must add up to 100%.</p> <p style="padding-left: 40px;">Hardware Software Labor - Operations Labor – Administration/Management Labor – Transition Cable Plant</p> <p><b>Section 5 – Depreciation Schedule:</b> Offerors must provide a depreciation schedule for their proposed capital investments relating to this effort.</p> <ul style="list-style-type: none"> <li>• Additionally, the Contracting Officer reserves the right to ask for (1) through (11) of Part 4(a), Paragraph 1.3.5 within five days.</li> </ul>	<p style="text-align: center;"><b>ALTERNATE 2, PRICE PROPOSAL</b> (5 paper copies, 1 CD)</p> <p><b>Section 1 – Pricing Tables:</b> Offerors shall complete Part One of the solicitation (including a catalog [Item 0023] with prices.) Do not provide additional tables. Assume a cost of \$0 for use of the DISN. The prices provided per service throughout the basic contract shall be constant and level; similarly, the prices provided per service throughout the option year shall be constant. For example, if the monthly price for Item 0001 is \$1 in year one, it shall be \$1 in year five.</p> <p><b>Section 2 – Price Rationale:</b> Offerors shall provide a rationale for the change in prices from the initial proposal, if applicable. Additionally, offerors shall clearly show the cost for DISN augmentation. Additionally, as a Government waiver from DoD policy will be required, offerors shall provide an analysis and justification sufficient to support the waiver.</p> <p><b>Section 3 – Sale/Exchange Credit:</b> As the clause at DFARS 252.217-7002 will apply, offerors must clearly show the amount of credit applied towards the overall price for the USN and USMC, separately. With regard to the credit, offerors shall provide a list of credits per location visited during due diligence, and the methodology for determining the remainder of the credits.</p> <p><b>Section 4 – Percent Breakdown:</b> Offers must provide a percent breakdown of the unit price for Items 0001 through 0006, 0010, and 0011 for the following areas. The total percent must add up to 100%.</p> <p style="padding-left: 40px;">Hardware Software Labor – Operations Labor – Administration/Management Labor – Transition Cable Plant</p> <p><b>Section 5 – Depreciation Schedule:</b> Offerors must provide a depreciation schedule for their proposed capital investments relating to this effort.</p> <ul style="list-style-type: none"> <li>• Additionally, the Contracting Officer reserves the right to ask for (1) through (11) of Part 4(a), Paragraph 1.3.5 within five days.</li> </ul>
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<b><u>Optimal Proposal</u></b>	<b>Optimal Price Proposal</b>
<p><b>Optimal Proposal, Part 1 (55 copies)</b></p> <ul style="list-style-type: none"><li>• Signed Proposal Cover Sheet and Copy of SF 1449</li><li>• Parts One (including a catalog (Item 0023), Two, Three, and Six of this solicitation, with all blanks filled in. DO NOT INCLUDE PRICES IN THIS PART.</li></ul> <p><b>Optimal Proposal, Part 2 (2 copies)</b></p> <ul style="list-style-type: none"><li>• Attachments 1 through 10</li></ul> <p><b>Optimal Proposal, Part 3 (5 copies)</b></p> <ul style="list-style-type: none"><li>• Small and Small Disadvantaged Business Participation Plan</li></ul> <p><b>Optimal Proposal, Part 4 (2 copies)</b></p> <ul style="list-style-type: none"><li>• Deferred Award Plan</li></ul> <p><b>Optimal Proposal, Part 5 (20 copies)</b></p> <ul style="list-style-type: none"><li>• Integrated Master Schedule (Attachment 1A)</li><li>• Exit Transition Plan</li></ul>	<p><b>Same as for alternates 1 and 2</b></p>

**COMPUTATION OF “SERVICE PRICE/PROGRAM YEAR” IN PROGRAM YEARS PRIOR TO IOC/FOC**

The offeror shall compute its proposed “Service Price/Program Year” for Items 0001-0005 and 0007-0009 for each Program Year up to and including the Program Year during which Full Operational Capability occurs based upon implementation of the NMCI Phase-In Schedule set forth in Attachment 1A to this contract. For all Program Years subsequent to FOC, the offeror shall assume that services will be provided for the entire Program Year (*i.e.*, 12 months) for the Minimum Quantity of seats specified for each such CLIN.

For example, assume the first program year is 12 months in length. Further assume that during this program year the following Navy activities are to be converted to NMCI:

- (1) NAVSEA with 50,000 fixed workstation seats (CLIN 0001) to be converted at the beginning of month # 3,
- (2) NAVAIR with 50,000 fixed workstation seats to be converted at the beginning of month # 6, and
- (3) NAVSUP with 40,000 fixed workstation seats to be converted at the beginning of month # 9.

Finally, assume that that Offeror A proposes to provide NMCI services for fixed workstation seats at a Monthly Service Price of \$400 per seat (NOTE: since Multiyear contracting requires level unit prices, the monthly service price per seat MUST remain constant for all program years). Given these assumptions, the “Service Price/Program Year” for CLIN 0001 would be calculated as follows:

<u>Activity</u>	<u># Seats</u>		<u>Monthly Price</u>		<u>Months Of Service</u>		<u>Extended Price</u>
NAVSEA	50,000	X	\$400	X	10	=	\$200,000,000
NAVAIR	50,000	X	\$400	X	7	=	140,000,000
NAVSUP	40,000	X	\$400	X	4	=	<u>64,000,000</u>

**CLIN 0001 Service Price/PY = \$404,000,000**

Pricing proposals shall include backup documentation verifying that the proposed “Service Price/Program Year” for all applicable Items in Program Years up to and including IOC or FOC, respectively, were based upon implementation of the NMCI Phase-In Schedule and calculated in a manner consistent with the instructions set forth above.



**Part Five - Evaluation**

**FAR 52.212-2 EVALUATION – COMMERCIAL ITEMS (JAN 1999)**

The following listed firms may assist the Government in an advisory capacity during the proposal evaluation process. If an offeror has concerns with any of these firms assisting during the evaluation process, it must notify the PCO in writing no later 4 January 2000. If the offeror consents to the following firms assisting in reviewing the offeror’s proposal, the offeror’s cover pages of each proposal shall contain the words:

“Offeror name

consents to

(Company Offeror fill in)

viewing, for evaluation purposes, the information contained in this proposal.” If consent is withheld for the use of one or more of these entities, the offeror shall explain in writing the reasons for withholding its consent no later than 19 January 2000.

**Company Name**

**Areas Of Expertise To Be Used**

Booz-Allen & Hamilton Inc.

Administrative assistance and provide technical advice regarding proposed network system interfaces, joint interoperability, and Service Level Agreements

**GENERAL**

a. The Government will award a contract to the responsible offeror whose proposal conforms to this solicitation and is most advantageous to the Government, cost or price and other factors considered. This section contains the specific evaluation factors for award of a contract pursuant to this solicitation.

b. If the Contracting Officer determines that the number of proposals that would otherwise be in the competitive range exceeds the number at which an efficient competition can be conducted, the Contracting Officer may limit the number of proposals in the competitive range to the greatest number that will permit an efficient competition among the most highly rated proposals. The Government intends to conduct discussions following the competitive range determination.

c. Award will be made only to an offeror whose proposal is determined to be technically acceptable. Offerors are advised that the Government will not evaluate any information not contained within the proposal (except for past performance information). Letters of transmittal and cover letters that forward the proposal to the Government are **not** considered part of the body of the proposal. Information provided during the offeror’s oral presentation, and demonstration if required, shall be considered to be part of the proposal.

d. Evaluation of any option items will not obligate the Government to exercise any such options.

e. Any proposal which is materially unbalanced as to the proposed prices may be rejected as unacceptable. An unbalanced proposal is one that is based on prices which are significantly understated some work and prices which are significantly overstated for other work.

*TECHNICAL EVALUATION.*

a. The Government's evaluation of each offeror's proposal will be based on the factors and subfactors shown below. Factors One and Two are of equal importance and each is more important than either Factor Three or Factor Four. Factor Three is more important than Factor Four. Total technical merit (i.e., all non-price factors taken together) is significantly more important than price.

**Factor One - Technical Approach**

Subfactor (1) Interoperability

Subfactor (2) Security and Information Assurance

Subfactor (3) End-to-End Performance

Within this factor, Subfactor 1 is more important than 2 or 3, and 2 and 3 are of equal importance.

**Factor Two - Management Plan and Transition Approach**

Subfactor (1) Management Plan

Subfactor (2) Transition Approach

Subfactor (3) Personnel Utilization

Within this factor, Subfactor (1) is equal to Subfactor (2). Subfactor (1) and (2) are each more important than Subfactor (3).

**Factor Three - Small and Small Disadvantaged Business Participation**

Subfactor (1) Compliance with 35% Participation Requirement (and 10% First Tier Participation Requirement)

Subfactor (2) Integration of current small and small disadvantaged business into NMCI

Within this factor, all subfactors are of equal importance.

**Factor Four - Past Performance**

**Factor Five - Price**

b. The Government's evaluation and determination of technical merit shall be made in accordance with the following definitions (for factors other than past performance):

Outstanding. The proposal exceeds the requirements of the solicitation and meets the fullest expectations of the Government. The offeror has convincingly demonstrated that the solicitation requirements have been analyzed, evaluated, and synthesized into approaches, plans, and techniques that, when implemented, should result in outstanding, economical contract performance with minimal risk. A rating of "outstanding" indicates that, in terms of the specific factor or subfactor, the proposal contains significant strengths and no deficiencies or even minor weaknesses.

Very Good. The proposal is fully responsive to the requirements of the solicitation with no deficiencies. A rating of “very good” indicates that, in terms of the specific factor the proposal contains areas of strength which more than offset any minor weaknesses that exist. The offeror has demonstrated capability that satisfy the solicitation requirements and is likely to produce results which should prove to be substantially beneficial to the project with minimal to low risk.

Satisfactory. The proposal is adequately responsive to the solicitation requirements with only minor weaknesses or with a few major weaknesses that are offset by strengths. A rating of “satisfactory” indicates that, in terms of the specific factor or subfactor, the proposal contains neither significant strengths nor major deficiencies, and any weaknesses noted should not seriously diminish the quality of contract performance or increase the risks of failure to an unacceptable level.

Marginal. The proposal contains major deficiencies or weaknesses in certain areas that not offset by strengths in other areas. A rating of “marginal” indicates that, in terms of the specific factor or subfactor, the proposal does not satisfy the requirements of the RFP, or omits pertinent information so as to create reasonable doubt on the part of the evaluators regarding the offeror’s understanding of, or capability of meeting, the minimum requirements of the solicitation. Risk of performance problems is considered high. However, additional information clarifying or supplementing the information contained in the proposal could make the proposal acceptable.

Unsatisfactory. The offeror’s proposal does not conform to the solicitation requirements, contains major deficiencies, omits information needed to determine whether the proposal meets solicitation requirements, contains information that is erroneous or contradictory to the solicitation requirements, or otherwise fails to satisfy the minimum requirements of the solicitation, and (if the Government chooses to conduct discussions) the proposal cannot be made acceptable without significantly changing the proposal.

- c. The Government’s evaluation of Past Performance will be made in accordance with the following definitions:

Excellent. The offeror’s performance of previously awarded, relevant contracts exhibits a general trend that supports an extremely strong expectation of successful performance of the subject procurement.

Satisfactory. The offeror’s performance of previously awarded, relevant contracts exhibits a general trend that supports an expectation of successful performance of the subject procurement.

Neutral. The offeror lacks a record of relevant or available past performance history. There is no expectation of either successful or unsuccessful performance based on the offeror’s past performance.

Marginal. The offeror’s performance of previously awarded, relevant contracts exhibits a general trend that supports an expectation that successful performance of the subject procurement might be difficult to achieve or can occur only with increased levels of Government management and oversight.

Unsatisfactory. The offeror's performance of previously awarded, relevant contracts exhibits a general trend that supports a strong expectation that successful performance will not be achieved or that successful performance can only be achieved with greatly increased levels of Government management and oversight.

Offerors are cautioned that an unsatisfactory evaluation in any single factor or subfactor may result in the proposal being rated unacceptable overall. A significant deficiency in one area of an offeror's Technical Proposal will not necessarily be offset by strengths in other areas.

Additionally, **in order to be considered for award** offerors must be determined acceptable in the following area, which will be evaluated on a pass/fail basis:

Corporate Experience: Offerors must demonstrate experience managing a similar effort of 100,000 or more seats at one time. The 100,000 threshold can be satisfied by one or more efforts, but at least one effort must be at least 20,000 seats. ***Notwithstanding any other provision of this solicitation, a rating of "fail" in this above area will result in rejection of the offeror's proposal regardless of its evaluated technical merit.***

*PRICE EVALUATION:*

a. Proposed Prices. Experience in Navy programs indicates that a contract awarded to a Contractor submitting an unrealistically low price proposal (whether resulting from a decision on the part of the Contractor to submit a price below anticipated costs; from inaccurate, incorrect or improper assumptions in the cost, technical, or other areas; from a lack of understanding of the contract requirements, or other circumstances) may cause problems for the Navy as well as the Contractor during contract performance. Such problems may include significant cost overruns which may substantially impair the Contractor's ability to successfully perform the requirements of the contract in a timely manner, resulting in significant delays and disruptions which might place the entire NMCI initiative in jeopardy. Accordingly, offerors are cautioned that **SHOULD THE GOVERNMENT, IN THE EXERCISE OF ITS JUDGMENT, DETERMINE THAT A PRICE PROPOSAL SUBMITTED AS A RESULT OF THIS SOLICITATION IS UNREALISTICALLY LOW, THE GOVERNMENT MAY REJECT THE PROPOSAL, REGARDLESS OF ITS TECHNICAL MERIT AND/OR EVALUATED PRICE TO THE GOVERNMENT.** Unrealistic pricing may also be considered by the Government as evidence of a lack of understanding of the solicitation requirements and/or increased risk associated with the offeror's technical proposal.

b. Price Evaluation. The Government will evaluate prices for all alternative performance levels proposed. The Government will use the percent breakdown information provided to assess the prices relative to the Navy and Marine Corps original baseline. Additionally, the Government will use the DISN-augmentation or alternative approach analysis to support any Government-required waiver. The Government will perform a price analysis in order to determine the reasonableness and realism of the offeror's proposed prices. One price will be evaluated for the basic period. One price will be evaluated for the option period.

**The evaluated price for the basic period will be determined as follows:**

For Items 0001 through 0005 and 0007 through 0009, the evaluated price will be the minimum quantity for that item in 2004 times the service price/year. For all other priced items the evaluated price will be one times the service price/year. The evaluated price for the basic years will be the sum of the evaluated price for all items.

Items that will be separately priced in individual orders will not be evaluated.

For Item 0023, a quantity of one will be used for each MANDATORY proposed item. Items not required, but proposed, will not be evaluated.

For Item 0036, the price that will be evaluated will be the proposed price for Item 0036AA.

Item 0037 will not be evaluated.

**The evaluated price for the option period will be determined as follows:**

For Items 0101 through 0105 and 0107 through 0109, the evaluated price will be the minimum quantity for that item in 2006 times the service price/year. For all other priced items the evaluated price will be one times the service price/year. The total evaluated price for the basic years will be the sum of all items.

Items that will be separately priced in individual orders will not be evaluated.

For Item 0123, a quantity of one will be used for each MANDATORY proposed item. Items not required, but proposed, will not be evaluated. However, the added benefits of extra items will be considered in the best value determination.

For Item 0136, the price that will be evaluated will be the proposed price for Item 0136AA.

***DUE DILIGENCE AND REVISED PROPOSALS:***

a. In the event the Government decides to conduct discussions, all offerors determined by the Contracting Officer to be within the competitive range will be afforded the opportunity to conduct a detailed survey of all Department of the Navy sites (commonly referred to as "due diligence") in order to better determine the effort required to design, fabricate and assemble their proposed NMCI network architecture, and to determine what portions (if any) of the Navy's existing IT infrastructure might be effectively used in the NMCI infrastructure. On the basis of this detailed survey, offerors will then submit final revised pricing proposal alternatives based upon the assumption that the Navy's existing IT infrastructure will be used to the extent feasible. The provision provided at DFARS 252.217-7002 applies to final proposal revisions.

b. Each offeror within the competitive range will also be required to conduct a demonstration of its proposed network architecture in order to verify the offeror's ability to achieve the required service levels set forth in its technical proposal and to demonstrate security effectiveness. The Government's evaluation of the offeror's technical proposal may be revised based upon the results of this demonstration. The demonstration shall also include a demonstration/discussion of the offeror's proposed billing procedures.

The offeror shall provide a proposal and demonstration (Attachment 18 is provided for reference) for the purpose of assessing the Contractor's understanding of scope, magnitude, and complexity of the NMCI services procurement. To accomplish this, the offerors shall utilize the offeror's currently managed infrastructure to facilitate this demonstration reflective of the offeror's technical approach. This demonstration must be independently verifiable by DoN-identified personnel.

***BASIS FOR AWARD:***

Offerors are advised that the Government seeks proposals which demonstrate the greatest technical merit at a reasonable price to the Government. Award will be made to that technically acceptable offeror whose proposal is determined to represent the best value to the Government for the NMCI services (and associated items of supply) to be provided under this solicitation. In making its best value determination, the Government will consider overall technical merit to be of significantly greater importance than price. However, the importance of price as an evaluation factor will increase to the extent that competing proposals become closer in overall technical merit.

Award of a contract for Item 0037, "Deferred Award" may be made to that technically acceptable offeror who (i) is not selected for award of the contract for NMCI services, and (ii) has submitted an offer for the Item 0037 Deferred Award contract, and (iii) whose proposal is determined to represent the alternative best value to the Government based upon the total technical merit of its proposal, in accordance with the evaluation factors and subfactors set forth above, and the proposed price for Item 0037 for all five base Program Years. In making this alternative best value determination, the Government will consider overall technical merit to be of significantly greater importance than price. However, the importance of price as an evaluation factor will increase to the extent that competing proposals become closer in overall technical merit



**Part Six – Representations and Certifications**

**ALL PART SIX PROVISIONS ARE MANDATORY.**

**52.212-3 OFFEROR REPRESENTATIONS AND CERTIFICATIONS --  
COMMERCIAL ITEMS (OCT 1999)**

(a) Definitions. As used in this provision:

"Emerging small business" means a small business concern whose size is no greater than 50 percent of the numerical size standard for the standard industrial classification code designated.

"Small business concern" means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR Part 121 and size standards in this solicitation.

"Women-owned small business concern" means a small business concern --

(1) Which 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

(2) Whose management and daily business operations are controlled by one or more women.

"Women-owned business concern" means a concern which 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 its stock is owned by one or more women; and whose management and daily business operations are controlled by one or more women.

(b) Taxpayer identification number (TIN) (26 U.S.C. 6109, 31 U.S.C. 7701). (Not applicable if the offeror is required to provide this information to a central contractor registration database to be eligible for award.)

(1) All offerors must submit the information required in paragraphs (b)(3) through (b)(5) of this provision to comply with debt collection requirements of 31 U.S.C. 7701(c) and 3325(d), reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M, and implementing regulations issued by the Internal Revenue Service (IRS).

(2) The TIN may be used by the Government to collect and report on any delinquent amounts arising out of the offeror's relationship with the Government (31 U.S.C. 7701(c)(3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with IRS records to verify the accuracy of the offeror's TIN.]

(3) Taxpayer Identification Number (TIN).

TIN:

TIN has been applied for.

TIN is not required because:

Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States;

Offeror is an agency or instrumentality of a foreign Government;

Offeror is an agency or instrumentality of the Federal Government;

(4) Type of organization.

Sole proprietorship;

Partnership;

Corporate entity (not tax-exempt);

Corporate entity (tax-exempt);

Government entity (Federal, State, or local);

Foreign Government;

International organization per 26 CFR 1.6049-4;

Other

(5) Common parent.

Offeror is not owned or controlled by a common parent:

Name and TIN of common parent:

Name
TIN

(c) Offerors must complete the following representations when the resulting contract is to be performed inside the United States, its territories or possessions, Puerto Rico, the Trust Territory of the Pacific Islands, or the District of Columbia. Check all that apply.

(1) Small business concern. The offeror represents as part of its offer that it  is,  is not a small business concern.

(2) Small disadvantaged business concern. [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents, for general statistical purposes, that it  is,  is not, a small disadvantaged business concern as defined in 13 CFR 124.1002.

(3) Women-owned small business concern. [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents that it  is,  is not a women-owned small business concern.

Note: Complete paragraphs (c)(4) and (c)(5) only if this solicitation is expected to exceed the simplified acquisition threshold.

(4) Women-owned business concern (other than small business concern). [Complete only if the offeror is a women-owned business concern and did not represent itself as a small business concern in paragraph (c)(1) of this provision.]. The offeror represents that it  is, a women-owned business concern.

(5) Tie bid priority for labor surplus area concerns. If this is an invitation for bid, small business offerors may identify the labor surplus areas in which costs to be incurred on account of manufacturing or production (by offeror or first-tier subcontractors) amount to more than 50 percent of the contract price:

(6) Small Business Size for the Small Business Competitiveness Demonstration Program and for the Targeted Industry Categories under the Small Business Competitiveness Demonstration Program. [Complete only if the offeror has represented itself to be a small business concern under the size standards for this solicitation.]

(i) (Complete only for solicitations indicated in an addendum as being set-aside for emerging small businesses in one of the four designated industry groups (DIGs).) The offeror represents as part of its offer that it  is,  is not an emerging small business.

(ii) (Complete only for solicitations indicated in an addendum as being for one of the targeted industry categories (TICs) or four designated industry groups (DIGs).) Offeror represents as follows:

(A) Offeror's number of employees for the past 12 months (check the Employees column if size standard stated in the solicitation is expressed in terms of number of employees); or

(B) Offeror's average annual gross revenue for the last 3 fiscal years check the Average Annual Gross Number of Revenues column if size standard stated in the solicitation is expressed in terms of annual receipts). Check one of the following:

<b>Average Annual Number of Employees</b>	<b>Average Annual Gross Revenues</b>
<input type="checkbox"/> 50 or fewer	<input type="checkbox"/> \$1 million or less
<input type="checkbox"/> 51-100	<input type="checkbox"/> \$1 million to \$2 million
<input type="checkbox"/> 101-250	<input type="checkbox"/> \$2,000,001 - \$3.5 million
<input type="checkbox"/> 251-500	<input type="checkbox"/> \$3,500,001 - \$5 million
<input type="checkbox"/> 501-750	<input type="checkbox"/> \$5,000,001 - \$10 million
<input type="checkbox"/> 751-1,000	<input type="checkbox"/> \$10,000,001 - \$17 million
<input type="checkbox"/> Over 1,000	<input type="checkbox"/> Over \$17 million

(7) (Complete only if the solicitation contains the clause at FAR 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns, or FAR 52.219-25, Small Disadvantaged Business Participation Program-Disadvantaged Status and Reporting, and the offeror desires a benefit based on its disadvantaged status.)

(i) General. The offeror represents that either-

(A) It  is,  is not certified by the Small Business Administration as a small disadvantaged business concern and is listed, on the date of this representation, on the register of small disadvantaged business concerns maintained by the Small Business Administration, and that no material change in disadvantaged ownership and control has occurred since its certification, and, where the concern is owned by one or more individuals claiming disadvantaged status, the net worth of each individual upon whom the certification is based does not exceed \$750,000 after taking into account the exclusions set forth at 13 CFR 124.104(c)(2); or

(B) It  has,  has not submitted a completed application to the Small Business Administration or Private Certifier to be certified as a small disadvantaged business concern in accordance with 13 CFR 124, Subpart B, and a decision on that application is pending, and that no material change in disadvantaged ownership and control has occurred since its application was submitted.

(ii) Joint Ventures under the Price Evaluation Adjustment for Small Disadvantaged Business Concerns. The offeror represents, as part of its offer, that it is a joint venture that complies with the requirements in 13 CFR 124.1002(f) and that the representation in paragraph (c)(7)(i) of this provision is accurate for the small disadvantaged business concern that is participating in the joint venture. [The offeror shall enter the name of the small disadvantaged business concern that is participating in the joint venture: \_\_\_\_\_.]

(d) Certifications and representations required to implement provisions of Executive Order 11246--

(1) Previous contracts and compliance. The offeror represents that—

(i) It  has,  has not, participated in a previous contract or subcontract subject either to the Equal Opportunity clause of this solicitation; and

(ii) It  has,  has not, filed all required compliance reports.

(2) Affirmative Action Compliance. The offeror represents that—

(i) It  has developed and has on file,  has not and does not have on file, at each establishment, affirmative action programs required by rules and regulations of the Secretary of Labor (41 CFR [ ] parts 60-1 and 60-2), or

(ii) It  has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

(e) Certification Regarding Payments to influence Federal Transactions (31 U.S.C. 1352).

(Applies only if the contract is expected to exceed \$100,000.) By submission of its offer, the offeror certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of a Member of Congress on his or her behalf in connection with the award of any resultant contract.

(f) Buy American Act—Trade Agreements—Balance of Payments Program Certificate. (Applies only if FAR clause 52.225-9, Buy American Act—Trade Agreement—Balance of Payments Program, is included in this solicitation.)

(1) The offeror hereby certifies that each end product, except those listed in paragraph (f)(2) of this provision, is a domestic end product (as defined in the clause entitled “Buy American Act—Trade Agreements—Balance of Payments Program”) and that components of unknown origin have been considered to have been mined, produced, or manufactured outside the United States, a designated country, a North American Free Trade Agreement (NAFTA) country, or a Caribbean Basin country, as defined in section 25.401 of the Federal Acquisition Regulation.

(2) Excluded End Products:

**LINE ITEM NUMBER**

**COUNTRY OF ORIGIN**

(3) Offers will be evaluated by giving certain preferences to domestic end products, designated country end products, NAFTA country end products, and Caribbean Basin country end products over other end products. In order to obtain these preferences in the evaluation of each excluded end product listed in paragraph (f)(2) of this provision, offerors must identify and certify below those excluded end products that are designated or NAFTA country end products, or Caribbean Basin country end products. Products that are not identified and certified will not be deemed designated country end products, NAFTA country end products, or Caribbean Basin country end products. Offerors must certify by inserting the applicable line item numbers in the following:

(i) The offeror certifies that the following supplies qualify as “designated or NAFTA country end products” as those terms are defined in the clause entitled “Buy American Act—Trade—Balance of Payments Program”:

**LINE ITEM NUMBER**

**SUPPLY**

(ii) The offeror certifies that the following supplies qualify as “Caribbean Basin country end products” as that term is defined in the clause entitled “Buy American Act—Trade Agreement—Balance of Payments Program”:

**LINE ITEM NUMBER**

**SUPPLY**

(4) Offers will be evaluated in accordance with FAR Part 25.

(g) (1) Buy American Act—North American Free Trade Agreement Implementation Act -- Balance of Payments Program. (Applies only if FAR clause 52.225-21, Buy American Act—North American Free Trade Agreement Implementation Act—Balance of Payments Program, is included in this solicitation.)

(i) The offeror certifies that each end product being offered, except those listed in paragraph (g)(1)(ii) of this provision, is a domestic end product (as defined in the clause entitled “Buy American Act—North American Free Trade Agreement Implementation Act—Balance of Payments Program,” and that components of unknown origin have been considered to have been mined, produced, or manufactured outside the United States.

(ii) Excluded End Products (List as necessary):

**LINE ITEM NUMBER**

**COUNTRY OF ORIGIN**

(iii) Offerors will be evaluated by giving certain preferences to domestic end products or NAFTA country end products over other end products. In order to obtain these preferences in the evaluation of each excluded end product listed in paragraph (g)(1)(ii) of this provision, offerors

must identify and certify below those excluded end products that are NAFTA country end products. Products that are not identified and certified below will not be deemed NAFTA country end products. The offeror certifies that the following supplies qualify as “NAFTA country end products” as that term is defined in the clause entitled “Buy American Act—North American Free Trade Agreement Implementation Act—Balance of Payments Program”:

**LINE ITEM NUMBER** **SUPPLY**

(iv) Offers will be evaluated in accordance with FAR Part 25 of the Federal Acquisition Regulation. In addition, if this solicitation is for supplies for use outside the United States, an evaluation factor of 50 percent will be applied to offers of end products that are not domestic or NAFTA country end products.

(2) Alternate I. If Alternate I to the clause at 52.225-21 is included in this solicitation, substitute the following paragraph (g)(1)(iii) for paragraph (g)(1)(iii) of this provision:

(g)(1) (iii) Offerors will be evaluated by giving certain preferences to domestic end products or Canadian end products over other end products. In order to obtain these preferences in the evaluation of each excluded end product listed in paragraph (b) of this provision, offerors must identify and certify below those excluded end products that are Canadian end products. Products that are not identified and certified below will not be deemed Canadian end products. The offeror certifies that the following supplies qualify as “Canadian end products” as that term is defined in the clause entitled “Buy American Act—North American Free Trade Implementation Act—Balance of Payments Program”:

**LINE ITEM NUMBER** **SUPPLY**

(h) Certification Regarding Debarment, Suspension or Ineligibility for Award (Executive Order 12549). The offeror certifies, to the best of its knowledge and belief, that—

(1) The Offeror and/or any of its principals  are,  are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency, and

(2)  Have,  have not  within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and  are,  are not presently indicted for, or otherwise criminally or civilly charged by a Governmental entity with, commission of any of the offenses.

Alternate I (Oct 1998). As prescribed in 12.301(b)(2), add the following paragraph (c)(8) to the basic provision:(8) (Complete if the offeror has represented itself as disadvantaged in paragraph (c)(2) or (c)(7) of this provision.) The offeror shall check the category in which its ownership falls:

Black American.

Hispanic American.

Native American (American Indians, Eskimos, Aleuts, or Native Hawaiians).

Asian-Pacific American (persons with origins from Burma, Thailand, Malaysia, Indonesia, Singapore, Brunei, Japan, China, Taiwan, Laos, Cambodia (Kampuchea), Vietnam, Korea, The Philippines, U.S. Trust Territory or the Pacific Islands (Republic of Palau), Republic of the Marshall Islands, Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, Guam, Samoa, Macao, Hong Kong, Fiji, Tonga, Tuvalu, or Nauru).

Subcontinent Asians (Asian-Indian) American (persons with origins from India, Pakistan, Bangladesh, Sri Lanka, Bhutan, the Maldives Islands, or Nepal).

Individual/concern, other than one of the preceding.

Alternate II (Oct 1998). As prescribed in 12.301(b)(2), add the following paragraph (c)(7)(iii) to the basic provision: (iii) Address. The offeror represents that its Address  is,  is not in a region for which a small disadvantaged business procurement mechanism is authorized and its address has not changed since its certification as a small disadvantaged business concern or submission of its application for certification. This list of authorized small disadvantaged business procurement mechanisms and regions is posted at <http://www.arnet.gov/References/sdbadjustments.htm>. The offeror shall use the list in effect on the date of this solicitation. "Address," as used in this provision, means the address of the offeror as listed on the Small Business Administration's register of small disadvantaged business concerns or the address on the completed application that the concern has submitted to the Small Business Administration or a Private Certifier in accordance with 13 CFR part 124, subpart B. For joint ventures, "address" refers to the address of the small disadvantaged business concern that is participating in the joint venture.

Alternate III (Jan 1999). As prescribed in 12.310(b)(2), add the following paragraph (c)(9) to the basic provision: (9) HUBZone small business concern. [Complete only if the offeror represented itself as a small business concern in paragraph ©(1) of this provision.] The offeror represents as part of its offer that-

(i) It  is,  is not a HUBZone small business concern listed, on the date of this representation, on the List of Qualified HUBZone Small Business Concerns Maintained by the Small Business Administration, and no material change in ownership, or HUBZone employee percentage has occurred since it was certified by the Small Business Administration in accordance with 13 CFR part 126; and

(ii) It  is,  is not a joint venture that complies with the requirements of 13 CFR part 126, and the representation in paragraph (c)(9)(i) of this provision is accurate for the HUBZone small business concern or concerns that are participating in the joint venture. [The offeror shall enter the name of names in the joint venture: .] Each HUBZone small business concern participating in the joint venture shall submit a separate signed copy of the HUBZone representation.

## **252.212-7000 OFFEROR REPRESENTATIONS AND CERTIFICATIONS— COMMERCIAL ITEMS (NOV 1995)**

(a) Definitions. As used in this provision:

(1) "Foreign person" means any person other than an United States person as defined in Section 16(2) of the Export Administration Act of 1979 (50 U.S.C. App. Sec. 2415).

(2) "United States person" is defined in Section 16(2) of the Export Administration Act of 1979 and means any United States resident or national (other than an individual resident outside the United States and employed by other than a United States person), any domestic concern (including any permanent domestic establishment of any foreign concern), and any foreign subsidiary or affiliate (including any permanent foreign establishment) of any domestic concern which is controlled in fact by such domestic concern, as determined under regulations of the President.

(b) Certification. By submitting this offer, the offeror, if a foreign person, company or entity, certifies that it—

(1) Does not comply with the Secondary Arab Boycott of Israel; and

(2) Is not taking or knowingly agreeing to take any action, with respect to Secondary Boycott of Israel by Arab countries, which 50 U.S.C. App. Sec. 2407(a) prohibits a United States person from taking.

© Representation of Extent of Transportation by Sea. (This representation does not apply to solicitations for the direct purchase of ocean transportation services).

(1) The offeror shall indicate by checking the appropriate blank in paragraph ©(2) of this provision whether transportation of supplies by sea is anticipated under the resultant contract. The term “supplies” is defined in the Transportation Supplies by Sea clause of this solicitation.

(2) Representation.

The offeror represents that it—

Does anticipate that supplies will be transported by sea in the performance of any contract or subcontract resulting from this solicitation.

Does not anticipate that supplies will be transported by sea in the performance of any contract or subcontract resulting from this solicitation.

(3) Any contract resulting from this solicitation will include the Transportation of Supplies by Sea clause. If the offeror represents that it will not use ocean transportation, the resulting contract will also include the Defense Federal Acquisition Regulation Supplement clause at 252.247-7024, Notification of Transportation of Supplies by Sea.

## **DISCLOSURE OF OWNERSHIP OR CONTROL BY A FOREIGN GOVERNMENT**

(a) Definitions. As used in this provision-

(1) "Effectively owned or controlled" means that a foreign Government or any entity controlled by a foreign Government has the power, either directly or indirectly, whether exercised or exercisable, to control the election, appointment, or tenure of the Offeror's officers or a majority of the Offeror's board of directors by any means, e.g., ownership, contract, or operation of law (or equivalent power for unincorporated organizations).

(2) "Entity controlled by a foreign Government"-

(i) Means-

(A) Any domestic or foreign organization or corporation that is effectively owned or controlled by a foreign Government; or

(B) Any individual acting on behalf of a foreign Government.

(ii) Does not include an organization or corporation that is owned, but is not controlled, either directly or indirectly, by a foreign Government if the ownership of that organization or corporation by that foreign Government was effective before October 23, 1992.

(3) "Foreign Government" includes the state and the Government of any country (other than the United States and its possessions and trust territories) as well as any political subdivision, agency, or instrumentality thereof.

(4) "Proscribed information" means-

- (i) Top Secret information;
- (ii) Communications Security (COMSEC) information, except classified keys used to operate secure telephone units (STU IIIs);
- (iii) Restricted Data as defined in the U.S. Atomic Energy Act of 1954, as amended;
- (iv) Special Access Program (SAP) information; or
- (v) Sensitive Compartmented Information (SCI).

(b) Prohibition on award. No contract under a national security program may be awarded to an entity controlled by a foreign Government if that entity requires access to proscribed information to perform the contract, unless the Secretary of Defense or a designee has waived application of 10 U.S.C. 2536(a).

(c) Disclosure. The Offeror shall disclose any interest a foreign Government has in the Offeror when that interest constitutes control by a foreign Government as defined in this provision. If the Offeror is a subsidiary, it shall also disclose any reportable interest a foreign Government has in any entity that owns or controls the subsidiary, including reportable interest concerning the Offeror's immediate parent, intermediate parents, and the ultimate parent. Use separate paper as needed, and provide the information below:

- (1) Offeror's Point of Contact for Questions about Disclosure (Name and Phone Number with Country Code, City Code and Area Code, as applicable)
- (2) Name and Address of Offeror
- (3) Name and Address of Entity Controlled by a Foreign Government
- (4) Description of Interest, Ownership Percentage, and Identification of Foreign Government

## **DISCLOSURE OF OWNERSHIP OR CONTROL BY A GOVERNMENT OF A TERRORIST COUNTRY**

(a) Definitions. As used in this provision-

(1) "Government of a terrorist country" includes the state and the Government of a terrorist country, as well as any political subdivision, agency, or instrumentality thereof.

(2) "Terrorist country" means a country determined by the Secretary of State, under section 6(j)(1)(A) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)(i)(A)), to be a country the Government of which has repeatedly provided support for acts of international terrorism. As of the date of this provision, terrorist countries include: Cuba, Iran, Iraq, Libya, North Korea, Sudan, and Syria.

(3) "Significant interest" means-

(i) Ownership of or beneficial interest in 5 percent or more of the firm's or subsidiary's securities. Beneficial interest includes holding 5 percent or more of any class of the firm's

securities in "nominee shares," "street names," or some other method of holding securities that does not disclose the beneficial owner;

- (ii) Holding a management position in the firm, such as a director or officer;
- (iii) Ability to control or influence the election, appointment, or tenure of directors or officers in the firm;
- (iv) Ownership of 10 percent or more of the assets of a firm such as equipment, buildings, real estate, or other tangible assets of the firm; or
- (v) Holding 50 percent or more of the indebtedness of a firm.

(b) Prohibition on award. In accordance with 10 U.S.C. 2327, no contract may be awarded to a firm or a subsidiary of a firm if the Government of a terrorist country has a significant interest in the firm or subsidiary or, in the case of a subsidiary, the firm that owns the subsidiary, unless a waiver is granted by the Secretary of Defense.

(c) Disclosure. If the Government of a terrorist country has a significant interest in the Offeror or a subsidiary of the Offeror, the Offeror shall disclose such interest in an attachment to its offer. If the Offeror is a subsidiary, it shall also disclose any significant interest the Government of a terrorist country has in any firm that owns or controls the subsidiary. The disclosure shall include-

- (1) Identification of each Government holding a significant interest; and
- (2) A description of the significant interest held by each Government.