

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE	PAGE OF PAGES 1 11	
2. AMENDMENT/MODIFICATION NO. 0001	3. EFFECTIVE DATE 09/08/04	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable) Turkey and Northern Iraq	
6. ISSUED BY Defense Energy Supply Center 8725 John J. Kingman Road, Suite 2941 Ft. Belvoir, VA 22060-6222 P.Jacobs/DESC-FPA/703-767-9328 Purchase Program: 6.1	CODE SCO600	7. ADMINISTERED BY (If other than Item 6) CODE		
8. NAME AND ADDRESS OF CONTRACTOR (NO., street county state Zip Code)		(✓)	9A. AMENDMENT OF SOLICITATION NO. X SP0600-04-R-0137	
			9B. DATED (SEE ITEM 11) August 25, 2004	
			10A. MODIFICATION OF CONTRACT/ORDER NO.	
			10B. DATED (SEE ITEM 13)	
CODE :	FACILITY CODE Cage Code:			
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS				
<p>[X] The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers [] is extended [X] is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning <u>1</u> copy of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted ; or (c) by separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.</p>				
12. ACCOUNTING AND APPROPRIATION DATA (If required)				
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.				
A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.				
B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b)				
C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:				
D. OTHER Specify type of modification and authority)				
E. IMPORTANT: Contractor [] is not, [] is required to sign this document and return ___ copies to the issuing office.				
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)				
This Amendment is being issued to amend and clarify information contained in the above referenced solicitation, and to document written responses to questions received from prospective offerors.				
15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)		
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED	
(Signature of person authorized to sign)		(Signature of Contracting Officer)		

The time for submission of offers on the DD Form 1707 is changed to correct a typographical error under Additional Information **from 10 p.m. to 1:00 p.m.** on September 24, 2004.

The following clauses have been revised or added to the solicitation:

Clause B34.01.100 SERVICES TO BE FURNISHED AND PRICES (DESC AUG 2004)

This clause is revised to add "Customs Support" as a labor category for Iraq.

Clause I28.30.100 AWARD FEE PROCEDURES (DESC AUG 2004)

This clause is revised at Paragraph (e), EVALUATION PROCEDURES at the last section describing the evaluation criteria. Under (1) Management and Oversight of Turkey Operations, the work "Customer" is changed to "Contractor".

Clause M28.07.100(b)(i) EVALUATION OF OFFERS (DESC AUG 2004)

Paragraph (b)(i) of this clause is revised as follows: The Government reserves the right to award to other than the lowest evaluated offer. The offered prices will be determined by computing the total estimated cost to the Government for the base period. The evaluated cost for L/I 0001 will be the offered rates for each labor category multiplied by the estimated hours for that category. The evaluated cost for L/I 0002 will be the offeror's G&A rate multiplied by the estimated **\$2,000,000** for other direct costs. The total estimated cost will be the sum of these two.

Clause I95, AUDIT AND RECORDS – NEGOTIATIONS (JUN 1999) is hereby added to this solicitation.

Changes to the Performance Work Statement (PWS).

1. Under General Requirements, Travel Requirements is changed to read "Travel necessary for the performance of this contract will be reimbursed in accordance with FAR 31.205-46, the **Federal Travel Regulations**, the Joint Travel Regulations and the **Standardized Regulations**."

2. Under Specific Requirements, **Ferfil is deleted** from "Fuel shipped from Turkey to Iraq moves through the following sequence of locations: Applicable to Question #36.

3. Under Habur Gate/Turkish customs and Zaho-Ibrahim Halil Gate/Iraqi customs and marshalling area, **delete "Submit customs processing and monitoring/reporting program to DESC-Europe for review and approval 30 days prior to contract performance start date."** Applicable to Question #37.

Following are the responses (R) provided to the questions we received. Please continue to watch the web site for additional responses and/or amendments.

1. Is the M&O Contractor to provide escorts from loading point to Turkish/Iraqi border?

R: Escorts are not required. The contractor will only be required to monitor the movement.

2. To maintain a minimum level of support and to cover all fixed costs a minimum level of contract funding is necessary. What are the minimum guaranteed hours for the respective labor categories that the M&O Contractor can expect?

R: The resultant contract will be a Time and Materials (T&M) Contract. The Federal Acquisition Regulation (FAR) does not require a minimum level of funding for T&M Contracts. We have provided estimated hours and it is incumbent upon the offerors to base their proposals on the requirement as outlined in the PWS.

3. What is the basis for the estimated hours by labor category presented under Line Item 0001 in Section B34.01.100 of the solicitation? Are these total estimated man hours for the base period or for the base period plus option months? Are they presented as productive hours (taking into account costs for holiday pay, sick leave, vacation, etc.), or are they calculated as just pure hour requirements? How many hours are considered one man year for the purposes of this solicitation?

R: This refers to productive hours for services received. Coverage must be 24 hours a day, 7 days a week, 365 days a year = 8760 hours three each 8 hour shifts per day.

4. There is a difference with the Line Item 0002 estimated Other Direct Cost (ODC) figures between Section B34.01.100 – which specifies \$2,000,000 dollars for the base period – and Section M28.07.100(b)(i) – which gives a figure of \$1,000,000 for estimated ODCs. Which is the correct figure?

R: The correct figure is \$2,000,000. Clause M28.07.100 is revised and attached to reflect this correction.

5. What limitations are there for “incurred costs” with regard to the ODCs in Line Item 0002?

R: All cost associated with this contract must be directly related to its performance. See Clause I95 AUDIT AND RECORDS – NEGOTIATIONS (JUN 1999) which is incorporated into the solicitation by this amendment and attached. However, note that FAR 16.6, TIME-AND MATERIALS, LABOR-HOUR, AND LETTER CONTRACTS does require that the contract includes a ceiling price that the contractor exceeds at its own risk

6. Under Line Item 0001, Section B34.01.100, it states, “All payroll costs associated with labor expenses (wage rates, payroll taxes and insurance and other labor overhead) shall be included, along with applicable G&A and profit.” Does “other labor overhead” include such expenses as housing assistance/allowances, travel, fees associated with gaining employment in Turkey and/or Iraq, uniform and special equipment costs, and so forth? Such labor overhead costs are often accounted for as Other Direct Costs (ODCs), which according to Section B34.01.100 will be reimbursed under Line Item 0002. Please clarify and specify any limits to such costs.

R: Please see response to Number 5 above. Additional information will be provided in Amendment 0002.

7. Are the “offices” referred to in the PWS to be fixed facilities issued by the Government or host nation? Or, are they to be mobile/temporary facilities provided by the Contractor? Or a combination of both? Please be more specific about the requirements and specifications of these offices.

R: Contractor must provide its own office space.

8. Requirements to assist drivers with repairs and maintenance, and to assist in the maintenance of filter separator units at the loading areas, are vague. Could you be more specific as to the actual Contractor responsibilities in these areas? Specifically, the passage, “Terminal maintenance at loading facilities will be performed by Government employees, M&O Contractor will assist as needed...” needs to be clarified as to what type of maintenance is performed, who performs it, and what type of bench stock is required (if any)?

R: The contractor must coordinate repairs and maintenance. Additional information will be provided to the successful contractor after award.

9 Depending on the answer to the above question, will the Contractor be expected to hire maintenance personnel (not currently shown as a labor category in Section B34.01.100) complete with tool boxes, sets, kits, and outfits?

R: No mechanic required.

10. Are security clearances required for any personnel in any labor category? If so, what type of clearances will be required

R: No, security clearances are not required.

11. Is Turkish sponsorship required to the M&O contractor to operate in Turkey, or will the contractor operate under the auspices of DESC there?

R: The contractor must comply with Turkish laws and regulations. There will not be any government sponsorship.

12. Will satellite phones or any other communication equipment be provided by the U. S. Government or host nation?

R: No.

13. Will the Government provide "Power Track" software to the Contractor? If not, where is this software available?

R: Yes, DESC will provide software, and Power Track training.

14. Convoy security, physical security, and ensuring "quality of life" are mentioned in the PWS several times. What is the extent of the required security, and what is meant by "quality of life?"

R: The contractor will not be responsible for security; however, they will need to monitor quality of life issues for the driver. The Army provides comfort stations, which include showers, cots, and meals. If for some reason the drivers' basic needs are not being met, the contractor must notify DESC of the deficiencies.

15. Are the processes and programs referred to in the PWS currently in place, and if so might we be able to review those prior to submitting a Proposal?

R: Yes, the processes and programs are currently being performed by U.S. Government employees. However, there is nothing written which describes these programs and processes. Prospective offerors may observe these processes and programs by contacting DESC-Europe, TSgt Darrell Britt at 00-90-533-666-5097.

16. Are there any limitations or restrictions on employing local nationals (LNs) or third country nationals (TCNs) in the execution of this contract?

R: No, however, Contractor must work in accordance with Turkish and Iraqi laws and regulations as they relate to LNs and TCNs.

17. Is DD Form 250 required for shipping product, and will each truck be required to have this form as part of mandatory Customs documents? If DD Form is required, will a DESC Quality Assurance Representative/Evaluator (QAR/QAE) be present at the loading site to sign the document?

R: DD250's are not required. However, the Commercial Movement Record (CMR) will be used.

18. Can you more specifically define "spot check basis" for loading T54 diesel at Kirikkale and MTP gasoline at Iskenderun? Iskenderun is near Adana but Kirikkale is east of Ankara a long distance from Adana.

R: Contractor must perform random spot checks at each loading facility, for each day that product is loaded.

19. Are Quality Control Plans and Work Standards required to be in both English and Turkish and/or Arabic?

R: Yes, the plans should be in English, Turkish and Arabic.

20. Will JP-8 contain additives upon receipt or will Contractor be required to inject additives during loading? If additives are required will DESC provide?

R: JP-8 will have additives therefore, the contractor will not need to inject.

21. Is testing of product required by the Contractor during and after the loading of trucks? If so what type of tests?

R: No, product testing is not required during and after the loading of trucks.

22. If sampling of trucks and re-sealing is required during transit where will the samples be tested? Will the M&O Contractor be required to mail or deliver the samples to the designated laboratory? What are the turnaround timeframes? Will convoy movements or product discharge to customers be delayed until lab results are known?

R: DESC will provide delivery instructions for sample testing.
Turn around depends on the test requirements as well as location tested.
Yes, delays are expected pending sample results.

23. Is Force Protection a requirement for the M&O Contractor in Turkey?

R: No, it is not.

24. Can you please define or more clearly specify the destination locations in Iraq?

R. The locations are Mosul, Tikrit, Kirkuk and Balad (Anaconda).

25. Since customs support is required in Iraq at the Zaho-Ibrahim Halil Gate, why is this job category not included for Iraq in Section B?

R: It should be. Customs Support has been added to Section B. We will provide the estimated hours on Amendment 0002.

26. Are all travel costs associated with this contract reimbursable, including startup and corporate management travel?

R: Yes, travel will be reimbursed in accordance with FAR 31.205-46 and the Federal Travel Regulations, the Joint Travel Regulations and the Standardized Regulations which are described in the FAR section. The FAR and the Regulations are available on the internet.

27. Will there be any type of support available in either Turkey or Iraq from U.S. military bases or camps in the region (e.g., Incirlik AB in Turkey), and will there be any applicable Status of Forces Agreement (SOFA) provisions for this M&O contract?

R: No, DESC cannot provide support and there are no SOFAs that apply. Contractor must work IAW Turkish/Iraqi laws and regulations.

28. Will suppliers be required to seal their trucks at the loading point or will this be an M&O function?

R: Supplier's responsibility per the contracts. However, it will be the responsibility of the M&O contractor to oversee the customs process and do any resealing at customs if needed. These seals should be numbered and annotated on the driver's CMR.

29. Will benzene and diesel loading be performed daily or once per week? The quantities mentioned are fairly low if broken out by day and it would be more cost effective to send one convoy per week.

R: Diesel will be sent to Anaconda daily and sent to the NIZ locations three or four days a week. MOGAS will be loaded twice a week.

30. Will the Movement Control Team (MCT) at the border continue to be operated by the US military or another contractor throughout the length of this contract?

R: DESC-Europe does not have the ability to affect this. We have been told that even though the military numbers will be decreasing, the number of contracted personnel has been increasing and we should have someone there consistently.

31. The solicitation requests that the M&O contractor "facilitate organization of convoys." Please clarify what is meant by "facilitate." Who bears responsibility for convoy assignments?

R: The M&O contractor will bear the responsibility of ensuring the convoys get to the Turkish border. They will also need to monitor customs processing actions, intervene if there are issues, and report issues back to DESC-Incirlik. From the Turkish Border, the U.S. Military representatives will control convoy movement.

32. Will supplier trucks be escorted from the download station back to the Iraqi-Turkish border?

R: We do not have the ability to affect this. However, this is common practice currently by the U.S. Army.

33. Will Contractor be required to accompany the escorted convoys?

R: The Contractor will be required to track the convoys, know their status and be able to assist with breakdowns and incidents. He does not necessarily need to be with the convoy, but it would be helpful. The ability to assist, by coordinating, in breakdowns will be a very important function to get the trucks and drivers back up on the road again.

34. Do download locations need to be manned 24-7?

R: Yes, this will give drivers someone to coordinate with directly who speaks their language and is aware of the issues on the ground. In addition that person can monitor the loading points for better insight as to truck waiting times.

35. As the operation will be monitored by DESC in Europe and Incirlik AB, Turkey, can the Project Coordinator maintain an office in Adana, Turkey rather than Iraq?

R: It would be very helpful if the contractor had an office in Adana. In addition to the Adana office, it would be beneficial to have offices within Iraq.

36. Solicitation mentions Ferfil as a checkpoint. This location is no longer used by the Army (as of early Aug 2004). Will it be reopened for this mission?

R: No, it will not be re-opened. Ferfil was used for the humanitarian effort, not sustainment.

37. In the solicitation, there seems to be a requirement with a due date of 30 days prior to contract start for a submission of our customs processes and Northern Iraq processes.

R: Currently at the Adana COCO, TDA (Turkish Diplomatic Approval) requests are completed on the 15th of each month. The TDA shows the number of trucks we plan on loading for Iraq, for the following month. The TDA is sent to DET 1. DET 1 processes the request through ODC (?) to the Turkish Government for diplomatic approval. Turkish customs officials validate load quantities and destination. Once the fuel reaches the Iraq boarder, customs officials verify the quantities and destination of the loaded fuel has not changed.

Under current operations, DESC-Incirlik and DESC-Turkey file the required TDAs. We would continue to do this until the M&O contractor is fully operational. After the M&O contractor is fully operational, they can assume DESC-Incirlik's responsibility in submitting the TDAs to DESC-Turkey in Ankara.

The 30 day requirement is deleted from the PWS.

38. The commence date is stated as being "during 4th Quarter 2004." The resultant contractor is also required to have their team on site one week before the incumbent contractor ceases "to observe the current operation." We know on your advice that the Kuwait Warehouse Company is currently undertaking this work, and also covering the movement of oil supplies in from Kuwait.

To ensure a smooth integration into the system, would you kindly be able to firm up these dates as presumably you will know when the existing contract expires, and also confirm that the new RFP only covers oil imports from Turkey and for distribution in the Northern part of Iraq?

R: There appears to be some confusion here. DESC-E is currently performing the operations in Turkey with Government employees. DESC-E will not cease operations until a contractor is in place to assume the duties. For this reason we are unsure as to when the exact start date will be but we are fairly certain it will be during the fourth quarter of the calendar year. We will firm the dates up during discussions or certainly before contract award.

The RFP covers Management and Oversight of Government owned petroleum products from Turkey to Northern Iraq including Balad.

SECTION B – SUPPLIES/SERVICES AND PRICES/COSTS

B34.01.100 SERVICES TO BE FURNISHED AND PRICES (DESC AUG 2004)

The services to be furnished during the period specified and the prices are as follows:

The following services will be provided for a base period of One Year with six, one-month options. Rates shall also apply for the transition period beginning two weeks prior to contract performance start date.

Line Item 0001. The contractor will provide all necessary labor for accomplishing the required tasks. Cost will be reimbursed based on the rates provided below and actual hours expended. All payroll costs associated with labor expenses (wage rates, payroll taxes and insurance and other labor overhead) shall be included, along with applicable G&A and profit. Any other labor categories determined necessary after contract award may be added with DESC's approval.

Note: The estimated hours listed below will be used for price evaluation purposes only. Actual hours performed may be adjusted as necessary to accomplish the required tasks.

<u>Labor Category</u>	<u>Estimated Hours</u>	<u>Rate/Hour</u>
Turkey		
Project Manager	3222	
Transportation Specialist	76563	
Drivers	12168	
Customs Support	16110	
Clerical/Data Input	82728	
Iraq		
Project Manager	7335	
Project Director	5067	
Office Supervisor	16488	
Quality Surveillance	73818	
Interpreter	1971	
Security Driver	11223	
Customs Support	_____	

Line Item 0002. Other Direct Costs (Estimated \$ 2,000,000 for the base period. All incurred costs not reimbursed under Line Item 0001 will be reimbursed under Line Item 0002. The contractor may add G&A (specify below) to the actual cost, but profit will not be allowed. G&A rate _____%.

Line Item 0003. Award Fee – The base period will have a total of \$450,000 available with \$112,500 allocated and potentially awarded at the end of each three-month period. \$37,500 will be available for each one month extension, if utilized.

(DESC 52.207-9F85)

128.30.100 AWARD FEE PROCEDURES (DESC AUG 2004))

(a) **GENERAL.**

(1) This clause establishes procedures for determination of an award fee payable under this contract. The payment of any award fee is contingent upon compliance with the contractual requirements and performance at the level specified in each of the individual criteria set forth in the contract. It is the Government's desire that the Contractor perform services in such a manner as to warrant the highest possible rating and award fee. The Contractor's failure to maintain acceptable levels of performance in all areas of this contract may result in no award fee being issued. The award fee determination is not subject to the DISPUTES clause. The maximum award fee payable in any award fee period is one fourth of the total annual award fee. Any amount not awarded in one quarter will not be available for any subsequent quarter.

(2) The Contracting Officer (CO) may unilaterally make changes to this plan. Any changes will be made by modification (Standard Form 30) to the contract. Modifications will be forwarded to the Contractor prior to the beginning of the evaluation period to which the changes apply. If the Contractor is not provided with a copy of this modification or the modification is not provided on time, the existing plan coverage will continue in effect for the next evaluation period.

(3) If work is added to the contract during its life, there will be no adjustment to the award fee; however, the performance of such additional work will be considered in making the evaluation.

(4) If work is deleted from the contract, the maximum award fee may be reduced in the proportion that the price for the deleted work bears to the original contract price.

(b) **AWARD FEE AMOUNT.** The amount of award that can be earned for each 12 month period is ~~\$450,000.00~~. The amount of award fee that can be earned for each evaluation is ~~\$112,500.00~~, with ~~\$37,500~~ available for each one-month extension, if utilized.

(c) **PROCEDURES.**

(1) **Award Fee Board.** An Award Fee Board (AFB) composed of Government Personnel will evaluate the Contractor's performance as related to the criteria listed herein. Following the end of each 3 month rating period, the AFB will submit a formal evaluation report for each category to the CO.

(2) **Contractor Self-Evaluation.** The Contractor may submit a concise, written self-evaluation of performance limited to 5 pages (face only) with no appended material within 15 days of the end of the evaluation period. This report will be submitted to the Contracting Officer's Representative (COR) for transmittal to the AFB.

(3) The Contracting Officer will review the AFB report and the Contractor's self-evaluation, make a formal award fee determination, and notify the Contractor in writing of the decision. A contract modification will be issued for the amount of the award fee. The Contractor shall request the award fee payment by submitting an invoice in accordance with the CO's instructions. The decision of the CO will be final and shall not be subject to the DISPUTES clause.

(d) **METHOD OF DETERMINING AWARD FEE.** The Contractor shall be rated on overall quality of the management and oversight responsibilities in Turkey and Northern Iraq, Overall Analysis of Contract Management and Customer Satisfaction. The CO shall determine the award fee amount after evaluating all pertinent information, which includes the Contractor's self-evaluation and AFB recommendations. The CO may also take into consideration other factors, such as initiatives to improve performance and innovative techniques that respond to or preclude problems.

(e) **EVALUATION PROCEDURES.** The Contractor's performance shall be evaluated using the criteria presented below. A weight factor for each category has been established. The rating for each category will be multiplied by the weighted factor assigned to that category to compute the evaluation for each category. The evaluation ratings will be added for a total weighted evaluation rating, which will then be multiplied by the available award fee amount to arrive at the earned award fee. A score of 80 will result in no award fee; however, for each point above 80 the fee will increase by 5 percent.

<u>Category</u>	<u>Criteria</u>	<u>Rating</u>	<u>Weighted Factor</u>	<u>Evaluation Rating</u>
(1)	Management and Oversight of Turkey Operations	_____	x 0.35	= _____

(2)	Management and Oversight of Northern Iraq Operations	_____	x 0.45	= _____
(3)	Overall Analysis of Contract Management	_____	x 0.10	= _____
(4)	Customer Satisfaction	_____	x 0.10	= _____
Total Weighted Evaluation Rating = _____				

(1) Management and Oversight of Turkey Operations	(2) Management and Oversight of Northern Iraq Operations.	(3) Overall Analysis of Contract Management	(4) Customer Satisfaction
Contractor provides prompt, accurate information to the DESC fuel delivery contractors. Contractor employees are prompt, courteous, flexible and responsive to customer requests.	Contractor performs all tasks promptly, accurately and with a minimum of Government oversight. Contractor adjusts to operational changes quickly and efficiently. Deficiencies are corrected promptly..	Same as Number 2.	.Same as Number 2..

M28.07.100 EVALUATION OF OFFERS (DESC AUG 2004)

(a) Award of this contract shall be made by using formal source selection procedures. Proposals submitted in response to this solicitation should be prepared in accordance with the PROPOSAL FORMAT AND CONTENT clause and will be evaluated by a board of one or more Government personnel. Final selection shall be made by the Source Selection Authority based on an overall assessment of each offeror's technical and price proposals. Judgment on the part of the Government evaluator(s) is implicit in the entire source selection process. The resultant contract shall represent the best overall value to the Government.

(b) For purposes of this solicitation, all factors are equal in importance, which means price is significantly less important than the combined non-price factors. However, as proposals become more equal in their non-price evaluations, the price becomes more important.

(i) PRICE EVALUATION (FACTOR 1). The Government reserves the right to award to other than the lowest evaluated offer. The offered prices will be determined by computing the total estimated cost to the Government for the base period. The evaluated cost for L/I 0001 will be the offered rates for each labor category multiplied by the estimated hours for that category. The evaluated cost for L/I 0002 will be the offeror's G&A rate multiplied by the estimated \$2,000,000 for other direct costs. The total estimated cost will be the sum of these two.

(ii) NON-PRICE EVALUATION. Proposals will be rated and ranked against the evaluation factors listed below.

FACTOR 2	<p>TECHNICAL CAPABILITY</p> <p>The Government will evaluate the offeror's ability to accomplish the PWS tasks. This includes the adequacy of the manning plan and the ability of the management plan to satisfy the PWS requirements.</p>
FACTOR 3	<p>EXPERIENCE</p> <p>The Government will evaluate the offeror's experience in performing similar work. This includes the relevant experience of key personnel. (DESC 52.209-9FA3)</p>

195 AUDIT AND RECORDS -- NEGOTIATION (JUN 1999)

(a) As used in this clause, **records** includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form.

(b) **EXAMINATION OF COSTS.** If this is a cost-reimbursement, incentive, time-and-materials, labor-hour, or price-redeterminable contract, or any combination of these, the Contractor shall maintain and the Contracting Officer, or an authorized representative of the Contracting Officer, shall have the right to examine and audit all records and other evidence sufficient to reflect properly all costs claimed to have been incurred or anticipated to be incurred directly or indirectly in performance of this contract. This right of examination shall include inspection at all reasonable times of the Contractor's plants, or parts of them, engaged in performing this contract.

(c) **COST OR PRICING DATA.** If the Contractor has been required to submit cost or pricing data in connection with any pricing action relating to this contract, the Contracting Officer, or an authorized representative of the Contracting Officer, in order to evaluate the accuracy, completeness, and currency of the cost or pricing data, shall have the right to examine and audit all of the Contractor's records, including computations and projections, related to-

- (1) The proposal for the contract, subcontract, or modification;
- (2) The discussions conducted on the proposal(s), including those related to negotiating;
- (3) Pricing of the contract, subcontract, or modification; or
- (4) Performance of the contract, subcontract, or modification.

(d) **COMPTROLLER GENERAL.**

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

(2) This paragraph may not be construed to require the Contractor or subcontractor to create or maintain any record that the Contractor or subcontractor does not maintain in the ordinary course of business or pursuant to a provision of law.

(e) **REPORTS.** If the Contractor is required to furnish cost, funding, or performance reports, the Contracting Officer or an authorized representative of the Contracting Officer shall have the right to examine and audit the supporting records and materials, for the purpose of evaluating--

- (1) The effectiveness of the Contractor's policies and procedures to produce data compatible with the objectives of these reports; and
- (2) The data reported.

(f) **AVAILABILITY.** The Contractor shall make available at its office at all reasonable times the records, materials, and other evidence described in paragraphs (a), (b), (c), (d), and (e) of this clause, for examination, audit, or reproduction, until 3 years after final payment under this contract or for any shorter period specified in Subpart 4.7, Contractor Records Retention, of the Federal Acquisition Regulation (FAR), or for any longer period required by statute or by other clauses of this contract. In addition--

- (1) If this contract is completely or partially terminated, the Contractor shall make available the records relating to the work terminated until 3 years after any resulting final termination settlement; and
- (2) The Contractor shall make available records relating to appeals under the DISPUTES clause or to litigation or the settlement of claims arising under or relating to this contract until such appeals, litigation, or claims are finally resolved.

(g) The Contractor shall insert a clause containing all the terms of this clause, including this paragraph (g), in all subcontracts under this contract that exceed the simplified acquisition threshold, and--

- (1) That are cost-reimbursement, incentive, time-and-materials, labor-hour, or price-redeterminable type or any combination of these;
- (2) For which cost or pricing data are required; or
- (3) That require the subcontractor to furnish reports as discussed in paragraph (e) of this clause.

The clause may be altered as necessary to identify properly the contracting parties and the Contracting Officer under the Government prime contract.

(FAR 52.215-2)