

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE K		PAGE 1 OF 11				
2. AMENDMENT/MODIFICATION NO. 0002		3. EFFECTIVE DATE September 17, 2004		4. REQUISITION/PURCHASE REQ. NO. SP0600-04-0540				
6. ISSUED BY DEFENSE ENERGY SUPPORT CENTER 8725 JOHN J. KINGMAN ROAD, SUITE 4950 FT. BELVOIR, VA 22060-6222 BUYER/SYMBOL: HELENE HORRELL/DESC-EB PHONE (703) 767-9653 P.P. 8.2		CODE SP0600		7. ADMINISTERED BY (If other than Item 6) CODE				
8. NAME AND ADDRESS OF CONTRACTOR (NO., street,city,county,State,and ZIP Code)			X			9a. AMENDMENT OF SOLICITATION NO. SP0600-04-R-0064		
						9b. DATED (SEE ITEM 11) 20 February 2004		
						10a. MODIFICATION OF ONTRACT/ORDER NO.		
						10b. DATED (SEE ITEM 13)		
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS								
<p><input checked="" type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers <input type="checkbox"/> is extended, <input checked="" type="checkbox"/> is not extended</p> <p>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> copies 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. I2.05 CHANGES-FIXED PRICE (AUG 87)								
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: FAR 43.01								
OTHER (Specify type of modification and authority)								
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input checked="" type="checkbox"/> is required to sign this document and return <u> 1 </u> copies to the issuing office.								
4. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)								
See Page 2 for full description of necessary changes.								
15A. NAME AND TITLE OF SIGNER (Type or print)			16A. NAME OF CONTRACTING OFFICER ANWAR ALI					
15B. NAME OF CONTRACTOR/OFFEROR BY _____ (Signature of person authorized to sign)		15C. DATE SIGNED 30-105		16B. UNITED STATES OF AMERICA BY _____ (Signature of Contracting Officer)				
NSN 7540-01-152-8070 PREVIOUS EDITION UNUSABLE				16C. DATE SIGNED Sept 17, 2004				

The purpose of this amendment is to incorporate the following changes into subject solicitation:

1. The following paragraphs from Section B have been changed:

1(a) Delete paragraph B.5.1 entitled “Price Proposal” in its entirety and replace with the following:

B.5.1 Price Proposal

The Offeror shall complete pricing in either Schedule B-2, if the offeror is proposing a non-regulated or non-jurisdictional rate or in Schedule B-3 if the offer is a Regulated entity offering a regulated rate or if offering a jurisdictional utility service rate. An example of a completed Schedule B-2 is included in Section J, Attachment J40.

1(b) Delete paragraph B.6.1 entitled “Alternate Price Proposal” in its entirety and replace with the following:

B.6.1 Alternate Price Proposal

The Offeror shall complete a schedule B-3 for each utility system included in the proposal if proposing established or special tariff(s), schedule(s) and rate(s). Schedule B-3 is available to regulated public utilities offering to provide a regulated/jurisdictional utility service or offerors proposing a jurisdictional utility service rate. The Offeror shall complete a schedule B-3 for each utility system included in the proposal if proposing an index or Fixed-Price with Economic Price Adjustment offer.

2. The following paragraphs from Section C have been changed:

2 (a) Delete paragraph C.1 entitled “Precedence” in its entirety and replace with the following:

C.1. Precedence

Utilities Privatization includes two documents: (1) the terms and condition of the contract that also addresses the terms of the Right of Access; and, (2) the Bill of Sale. The Bill of Sale is not part of the contract, but instead is a document that transfers ownership of the system. The Bill of Sale will be executed if the utilities privatization solicitation results in a contract in accordance with the terms and

conditions of this RFP. Also see FAR clause 52.215-8, Order of Precedence -- Uniform Contract Format.

2 (b) In paragraph C.3.6. entitled “Wastewater Effluent Disposal,” delete “Right of Way” as stated in the first sentence and replace with “Section J2 attachment.”

2 (c) In paragraph C.5.1.4 entitled “Record Drawings,” change the paragraph number from “C.5.1.4” to “C.5.1.6”.

2(d) Insert the following new paragraph, C.5.1.4, entitled “Air Force Property,”

C.5.1.4. Air Force Property

The Government may have property and equipment installed on or attached to poles, conduits, pipes, duct banks, towers, buildings, and other portions of the utility systems to be transferred. The Government reserves the right to continue to use the property to be transferred for this purpose, to enter on the transferred property to maintain, repair, operate, upgrade, and replace its property and equipment, and to install new property and equipment

Attachment fees shall not apply. However, costs of any make-ready work related to safety requirements may be recovered under the contract. All attachments will be coordinated with the contractor prior to incorporating attachments.

Utility poles, buried conduits, pipes, tubes, wires, and other utility systems and pieces of equipment on the Installation may be the property of a non-federal entity. In that case, use of those poles, conduits, pipes, tubes, wires, or other utility systems and pieces of equipment will be subject to separate agreement between the Contractor and the owner of the poles, conduits, pipes, tubes, wires, or other utility systems and pieces of equipment. Access will still be governed by this Contract, but may also be subject to conditions, including payment of a fee, required by the owner of the poles, conduits, pipes, tubes, wires, or other utility systems and pieces of equipment.

2(e) Insert the following new paragraph C.5.1.5 entitled “Liens and Mortgages:”

C.5.1.5 Liens and Mortgages

The Contractor shall not engage in any financing or other transaction creating any mortgage upon any government property, place or suffer to be placed upon government property any lien or other encumbrance, or suffer any levy or attachment to be made on the contractor's interest in this right of access on government property. For the purposes of the clause, property shall include but not be limited to fee, lease, license, personal property or any authorized government use or interest in property.”

2(f) Insert the following new paragraph C.5.1.7 entitled “Use of the Utility Infrastructure:”

C.5.1.7 Use of the Utility Infrastructure

The contractor may use the utility infrastructure on the installation to serve or benefit areas or customers outside the service area(s) only with concurrence of the Government. Compensation to the Government will be negotiated. In no way shall service to off-installation customers degrade or hinder reliable service, or create unhealthy, unsafe or unacceptable outages to the Government’s facilities.

2(g) Delete Section C.5.3 “Contractor Vehicles”, and insert the following new paragraph C.5.3 entitled “Contractor Advertising”:

C.5.3 Contractor Advertising

The Contractor shall neither place nor display advertising of any kind whatsoever on government property nor on its property located on government property, nor suffer any advertising of any kind whatsoever to be placed on its property located on government property. Reasonable markings on the contractor’s property, including vehicles, for the purpose of identifying it as the contractor’s property are not prohibited.

2(h) Delete Section C.6 entitled “Access to the Utility System,” in its entirety and replace with a new “Section C.6” entitled “Right of Access to the Utility System” with the following paragraphs:

2(i) Delete Section C.9.5 entitled “Excavation Permits” in its entirety and replace with a new Section C.9.5:

C.9.5 Excavation Permits

The Contractor shall obtain a written excavation permit from the Contracting Officer or Contracting Officer designated representative before commencing any digging or excavation on the installation. The excavation permit will contain requirements normally applied to similar excavation work on the installation. The Contracting Officer or designated representative will notify the contractor as to reasonable time periods for applying for an excavation permit.

2(j) Delete Section C.9.6 entitled “Underground Utility Location” in its entirety and replace with a new Section C.9.6:”

C.9.6 Underground Utility Location and Points of Demarcation

Underground utility locations and Points of Demarcation are identified as exhibits to the applicable Section J Attachments

2(k) Insert the following new paragraph “C.9.9” entitled “Communications Equipment:”

C.9.9 Communications

Prior to operating communications devices on the Installation, The Contractor shall obtain the approval of the contracting officer or designated representative as to acceptable frequency use.

2(l) Insert the following new paragraph “C9.10” entitled “Plant Control:”

C.9.10 Plant Control

After obtaining the prior permission of the Contracting Officer, Contractor may trim or remove plants and trees that pose a potential hazard to its utility system. In those areas where the plants or trees contribute to historic or esthetic values and trimming or removing them would be destructive of those values, Grantee may be prohibited from trimming or removing them. In all instances, plants or trees listed as

threatened or endangered under applicable federal, state, interstate, or local law will not be harmed by the activities of the Contractor.

2(m) Insert the following new paragraph “C.10.4” entitled “Asbestos and Lead-based paint:”

C.10.4 Asbestos and Lead Paint

The contractor will not make any improvements or engage in any construction on government property which contain asbestos-containing material (ACM), without prior approval of the contracting officer; any such improvements or construction shall be done in compliance with all applicable Federal, state, interstate, and local laws and regulations governing ACM. The contractor is responsible for monitoring the condition of its property containing ACM on any portion of government property for deterioration or damage. The contractor is responsible, at its expense, for remediation of any ACM contained on or in its property which is disturbed or damaged by the contractor or is deteriorated and of any ACM on government property which is disturbed or damaged by the contractor during the term of the contract.

The contractor will test any painted surface to be affected by any of its operation, construction, installation, repair, or maintenance activities to determine if the paint is lead-based and will handle that surface in compliance with all applicable laws and regulations and at the contractor's expense.

2(n) Insert the following new paragraph “C.10.5” entitled “Environmental Restoration Program:”

C.10.5 Environmental Restoration Program

If the Installation has not been listed on the National Priorities List (NPL) under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, at the time of contract award and granting of the Right-of-Access, but is listed subsequent to the award of this contract and the granting of this Right-of-Access, the Government will provide the Contractor with a copy of any Federal Facility Agreement (FFA) that is entered into between the Government and the U.S. Environmental Protection Agency (USEPA), along with any amendments to the FFA when they become effective.

If the Installation has been listed on the NPL at the time of the award of this Contract and the granting of the Right-of-Access but no FFA has been entered into, the Government will provide the Contractor with a copy of any FFA subsequently entered into along with any amendments to the FFA when they become effective.

If the Installation has been listed on the NPL at the time of award of this Contract and the granting of the Right-of-Access and an FFA has been entered into, the Contractor acknowledges that the Government has provided it with a copy of the FFA, with current amendments; the Government will provide the Contractor with a copy of any subsequent amendments thereto.

The Contractor agrees that should any conflict arise between the terms of such agreement as it presently exists, or may be amended or entered into, and the provisions of this right of access, the provisions of the FFA will take precedence.

2(o) Insert the following sentence at the end of paragraph C.12, entitled “Non Performance and Abandonment:”

“The Contractor will continue to maintain all necessary and current permits and licenses required to own and operate the system even during the period of performance by the Government.”

3. The following paragraph from Section G has been changed:

3(a) In paragraph G.4 entitled “Accounting Procedures,” delete the last sentence and replace with the following:

All offerors who are not proposing a regulated rate shall meet the requirements of accumulating, segregating, and reporting costs on government contracts as specified by Standard Form 1408. In addition, non-regulated entities shall have accounting practices compliant with Generally Accepted Accounting Principles ("GAAP"). Furthermore, if the offeror currently has contracts covered by Cost Accounting Standards (CAS), the offeror shall submit the status of its Cost Accounting Standards Board (CASB) Disclosure Statement regarding adequacy and compliance with CAS.

4. The following paragraphs from Section H have been changed:

4(a) In paragraph H.2.2.1 entitled “General Liability,” delete in its entirety and replace with the following:

H.2.2.1 General Liability

Comprehensive general liability insurance on an “occurrence basis” against claims for “personal injury,” including without limitation, bodily injury, death, or property damage, occurring upon, in, or about the Premises including any buildings thereon and adjoining sidewalks, streets, and passageways, such insurance to afford immediate minimum protection at all times during the term of this contract, with limits of liability in amounts approved from time to time by the Government, but not less than ONE MILLION DOLLARS (\$1,000,000) in the event of bodily injury and death to any one or more persons in one accident, and not less than FIVE HUNDRED THOUSAND DOLLARS (\$500,000) for property damage. Such insurance shall also include coverage against liability for bodily injury or property damage arising out of the acts or omissions by or on behalf of the Contractor by any invitee or any other person or organization, or involving any owned, non-owned, or hired automotive equipment in connection with the Contractor's activities.

4(b) In paragraph H.2.4 entitled “Self-Insurance” delete the word “administrative.”

4(c) In paragraph H.2.4.1, delete the word “administrative” from the first two sentences.

4(d) Insert the following language at paragraph H.3:

H.3 Liability

The Contractor shall indemnify and hold the Government harmless against any and all judgments, expenses, liabilities, claims, and charges of whatever kind or nature that may arise as a result of the activities of the Contractor, whether tortious, contractual, or other, except to the extent such claim or charge is cognizable under the Federal Tort Claims Act, or, in regard to indemnification, to the extent the Contractor is prohibited from doing so by Federal or state law.

4(e) In paragraph H.6 entitled “Rights of the Government to Re-enter and Perform Function,” delete in its entirety and replace as follows:

H.6 Rights of the Government to Perform Function with its Own Personnel

The Government reserves the right to perform or supplement performance of contract functions with Government personnel during periods of disaster, war, emergencies, police actions, or acts of God affecting the installation. This performance will not constitute a breach of contract on the part of the Contractor.

4(f) In paragraph H.7 entitled “Foreign Object Damage Prevention Program,” delete the first sentence and replace as follows:

H.7 Foreign Object Damage Prevention Program

The Contractor shall comply with the Installation’s foreign object damage prevention program whenever it engages in activities on or around flightlines or runways.

4(g) In paragraph H.8 entitled “Hazardous Substances,” add the following paragraph:

Any unexploded ordnance discovered on government property by the contractor is the responsibility of the Government and will not be disturbed by the contractor but, upon discovery, shall be immediately reported to the contracting officer.

4(h) Clause H.9, Entitled “Contribution in Aid of Construction (CIAC) Tax Liability” is deleted in its entirety and replaced with the following:

H.9 Contribution in Aid of Construction (CIAC) Tax Liability

The parties hereby recognize that a purchase by the Contractor of a Government utility system at less than fair market value may be treated as a CIAC and therefore taxable income to the Contractor. As a result, the Contractor may incur an associated income tax liability. It is the responsibility of the Contractor to ensure that all transactions undertaken under the contract are in compliance with the United States Internal Revenue Service notices, guidelines, rules, and regulations governing the CIAC tax, and particularly the notices, guidelines, rules, and regulations governing how to determine fair market value, so that there is no CIAC tax liability to the Government. The Government will have no liability for nor will it pay any CIAC

tax associated with the sale of the utility system for which the Contractor is liable, or may become liable.

4(i) In paragraph H.10.1 entitled “Initial Capital Upgrades (ref. Paragraph C.11.2.2),” the second sentence is revised as follows:

“The price for each initial capital upgrade is fixed and is not subject to renegotiation under the clause referenced in Section I.7.1. The price for each upgrade will be amortized as proposed by the offeror in Schedule L-3 of the Price Proposal, will start when the upgrade is put in useful service, and may reflect principal and interest.”

4(j) Insert the following new paragraph at H.11 entitled “Historic Preservation.”

H.11 Historic Preservation

The contractor shall not remove or disturb, or cause or permit to be removed or disturbed, any historical, archaeological, architectural, or other cultural artifacts, relics, vestiges, remains, or objects of antiquity. In the event such items are discovered on government property, the contractor shall cease its activities at the site and immediately notify the contracting officer and protect the site and the material from further disturbance until the contracting officer gives clearance to proceed

5. The following Installation and Utility-Specific Attachment J46 as identified in Table J.1-1 has been deleted from the RFP and incorporated into the attached revised J2.

6. The following paragraphs from Section L have been changed:

6(a) Insert “or B-3” where it states “B-2” in paragraph L.9.6.1 entitled “Schedule B-2 and B-3 Instructions.”

7. The following paragraphs from Section M have been changed:

7(a) Delete paragraph M.2 entitled “Number of Awards” in its entirety and replace with “Reserved.”

7(b) In paragraph M.3.1, entitled “Procedure,” in the fourth sentence replace the words “technical, management, and cost/financial capabilities” with “the integrated assessment of Mission Capability, Past Performance, Proposal Risk, and Price Factors.”

7(c) In paragraph M.3.2, entitled “Contract Award,” delete the second and third sentences in their entirety and replace with “The best value is demonstrated by the proposal judged to be the most advantageous and provide the greatest value to the Government based n the integrated assessment of Mission Capability, Past Performance, Proposal Risk, and Price Factors.”

8. All other terms and conditions shall remain unchanged and in full force and effect.