United States Air Force, Utilities Privatization

Template for

Competitive Solicitations

Request for Proposal (RFP)

May 2004

Table of Contents

SOLICITATION/CONTRACT **1**

UNITED STATES AIR FORCE, UTILITIES PRIVATIZATION ..... **I**

TEMPLATE FOR I
COMPETITIVE SOLICITATIONS I
REQUEST FOR PROPOSAL (RFP) I
MAY 2004 TABLE OF CONTENTS I
TABLE OF CONTENTS II

SUPPLIES OR SERVICES AND PRICES/COSTS **3**

B.1 CLAUSES AND PROVISIONS 3
B.2 SCOPE AND PURPOSE 3
B.2.1 General *3*
B.2.2 Statutory Directive *3*
B.2.3 Program Goal *3*
B.2.4 Notices and Reservations *4*
B.2.5 Selection of a Contractor *4*
B.3 SYSTEMS TO BE PRIVATIZED 5
B.4 OFFERS FOR MULTIPLE SYSTEMS 5
B.5 PRICE PROPOSAL 5
B.5.1 Price Proposal *5*
B.5.2 Prepayment Option *6*
B.6 ALTERNATE PRICE PROPOSAL 7
B.6.1 Alternate Price Proposal *7*
B.6.2 Service Charges for Alternate Price Proposals *7*
B.7 TYPE OF CONTRACT – FIXED – PRICE CONTRACT WITH PROSPECTIVE PRICE REDETERMINATION 8

DESCRIPTION/SPECIFICATIONS/WORK STATEMENT **9**

C.1 PRECEDENCE 9
C.2 GENERAL 9
C.2.1 Qualified Utility Providers *9*
C.2.2 Utility Systems *9*
C.2.3 Current Service Arrangement *10*
C.3 REQUIREMENT 10
C.3.1 Utility Service Requirement *10*
C.3.2 Performance Standards *10*
C.3.3 Sub- Metering *11*
C.3.4 Energy and Water Efficiencies and Conservation *11*
C.3.5 Energy/Water Commodity Supply *12*
C.3.6 Wastewater Effluent Disposal *12*
C.4 SERVICE AREA 12
C.5 UTILITY SYSTEM OWNERSHIP, EMPLOYEES, AND SECURITY 12
C.5.1 Utility System Ownership *12*
C.5.2 Employees *14*
C.5.3 Contractor Advertising *15*
C.6 RIGHT OF ACCESS TO THE UTILITY SYSTEM 15
C.6.1 Access *15*
C.6.2 Condition of the Premises *16*
C.6.3 Alteration of Premises *16*
C.6.4 Access for Restoration *16*
C.6.5 Other Grants of Access *16*

C.6.6 Restoration of Premises *17*
C.7 SERVICE INTERRUPTION/CONTINGENCY PLAN 17
C.8 ROUTINE, URGENT, AND EMERGENCY REPAIR RESPONSE 17
C.8.1 Notification Procedures *18*
C.8.2 Emergency Service Requests *18*
C.8.3 Urgent Service Requests *19*
C.8.4 Routine Service Requests *19*
C.9 COORDINATION OF WORK 19
C.9.1 Routine Work *19*
C.9.2 Routine, Urgent, and Emergency Service Requests *20*
C.9.3 Connections and Disconnections *20*
C.9.4 Scheduled Utility Service Interruptions *20*
C.9.5 Excavation Permits *20*
C.9.6 Underground Utility Location and Points of Demarcation *21*
C.9.7 Coordination Meetings *21*
C.9.8 Exercises and Crisis Situations Requiring Utility Support *21*
C.9.9 Communications Equipment *21*
C9.10 Plant Control *21*
C.10 ENVIRONMENTAL COMPLIANCE 21
C.10.1 Permit Compliance *21*
C.10.2 Spill Contingencies *21*
C.10.3 Hazardous Material and Waste Minimization *22*
C.10.4 Asbestos and Lead-based Paint *22*
C.10.5 Environmental Restoration Program *22*
C.11 UPGRADES AND RENEWALS AND REPLACEMENTS 23
C.11.1 Due Diligence Adjustment *23*
C.11.2 Capital Upgrades and Renewals and Replacements Plan *23*
C.12 NON PERFORMANCE AND ABANDONMENT 25
C.13 TRANSITION PLAN 25
C.13.1 General Information *26*
C.13.2 System Operation and Maintenance During Transition *26*
C.13.3 Onsite Familiarization *26*
C.13.4 System Requirements *26*
C.13.5 Permits and Procedures *27*
C.13.6 Inventory and Transfer Requirements *27*
C.13.7 Initial Meter Readings *28*
C.14 SPECIALTY TRAINING REQUIREMENTS 28

PACKAGING AND MARKING 29

INSPECTION AND ACCEPTANCE 30

FAR 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998) 30

DELIVERIES OR PERFORMANCE 31

F.1 Contract Term *31*
F.2 Commencement of Service *31*
F.3 Extension of Contract Performance Period *31*
F.4 FAR 52.252-2 Clauses Incorporated by Reference (Feb 1998) *31*

CONTRACT ADMINISTRATION DATA 32

G.1 DFARS 252.201-7000: CONTRACTING OFFICER'S REPRESENTATIVE 32
G.2 SUBMISSION AND PAYMENT OF INVOICES 32
G.3 FIXED MONTHLY CHARGE ADJUSTMENT 32
G.4 ACCOUNTING PROCEDURES 33

SPECIAL CONTRACT PROVISIONS 34

H.1 MOBILIZATION AND OTHER CONTINGENCIES 34
H.2 INSURANCE REQUIREMENTS 34
H.2.1 Insurance Certificate 34
H.2.2 Types of Insurance 34
H.2.3 General 35
H.2.4. Self-insurance. 35
H.3 LIABILITY 36
H.4 INTENTIONALLY LEFT BLANK 36
H.6 RIGHTS OF THE GOVERNMENT TO PERFORM FUNCTION WITH ITS OWN PERSONNEL 37
H.7 FOREIGN OBJECT DAMAGE PREVENTION PROGRAM 37
H.8 HAZARDOUS SUBSTANCES 37
H.9 CONTRIBUTION IN AID OF CONSTRUCTION (CIAC) TAX LIABILITY 37
H.10 ACCOUNTING FOR CAPITAL UPGRADES 38
H.10.1 Initial Capital Upgrades (ref. Paragraph C.11.2.2) 38
H.10.2 Future Capital Upgrades (ref. C.11.2.3) 38
H.11 HISTORIC PRESERVATION 38

CONTRACT CLAUSES 39

I.1 FAR 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998) 39
I.2 FAR CLAUSES 39
I.3 DFARS CLAUSES INCORPORATED BY REFERENCE 42
I.4 AFFARS CLAUSES INCORPORATED BY REFERENCE 44
I.5 NON-REGULATED UTILITY CLAUSES INCORPORATED BY REFERENCE 44
I.6 REGULATED UTILITY CLAUSES INCORPORATED BY REFERENCE 45
I.7 OTHER CLAUSES 46
I.7.1 FAR 52.216-5: Price Redetermination – Prospective (Oct 1997) 46
I.7.2 FAR 52.222-42: Statement of Equivalent Rates for Federal Hires (May 1989) 48
I.7.3 FAR 52.244-6: Subcontracts for Commercial Items and Commercial Components (October 1998). 49

LIST OF ATTACHMENTS 50

REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENTS OF OFFERORS 51

INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS 61

L.1 52.252-1: SOLICITATION PROVISIONS INCORPORATED BY REFERENCE (IAW FAR 52.107[A]) 61
L.2 INFORMATION TO OFFERORS 62
L.2.1 General Information 62
L.2.2 Number of Awards 64
L.3 RESERVED 64
L.4 PROPOSAL PREPARATION INSTRUCTIONS – GENERAL 64
L.4.1 Proposal Organization/Page Limits 64
L.4.2 Proposal Format 64
L.4.3 Distribution 64
L.4.4 Electronic Media 65
L.4.5 Pages and Typing 65
L.4.6 Change Pages 65
L.4.7 Cost or Pricing Information 66
L.4.8 Cross-Reference Matrix 66
L.4.9 Glossary of Abbreviations and Acronyms 66
L.5 RESERVED 66
L.6 PROPOSAL PREPARATION INSTRUCTIONS – VOLUME I: TECHNICAL PROPOSAL 66
L.6.1 Subfactor 1: Service Interruption/Contingency Plan 67
L.6.2 Subfactor 2: Quality Management Plan 67

L.6.3 Subfactor 3: Capital Upgrades and Renewals and Replacements Plan *70*
L.6.4 Subfactor 4: Operational Transition Plan *70*
L.6.5 Subfactor 5: Financial Capability *70*
L.6.6 Subfactor 6: Small Business, Small Disadvantaged Business (SDB), Women-Owned Small Business, and Historically Black Colleges or Universities and Minority Institutions Participation (FAR 19.1202 and DFARS 215.304) *71*
L.7 PROPOSAL PREPARATION INSTRUCTIONS – VOLUME II: PAST PERFORMANCE 71
L.8 PROPOSAL PREPARATION INSTRUCTIONS – VOLUME III - CONTRACT DOCUMENTATION 72
L.8.1 Model Contract/Representations and Certifications *72*
L.8.2 Exceptions to Terms and Conditions *72*
L.8.3 Other Required Information *73*
L.9 PROPOSAL PREPARATION INSTRUCTIONS – VOLUME IV: PRICE PROPOSAL 73
L.9.1 Submission of Certified Cost or Pricing Data *73*
L.9.2 General *73*
L.9.3 Estimating Techniques and Methods *74*
L.9.4 Accounting Systems *74*
L.9.5 Organization *74*
L.9.6 Detailed Instructions for Price Proposal *74*
L.9.6.5 Monthly Credit to the Government for Delayed Response Times *78*

EVALUATION FACTORS FOR AWARD 82

M.1 INTRODUCTION 82
M.2 RESERVED 82
M.3 BASIS FOR CONTRACT AWARD 82
M.3.1 Procedure *82*
M.3.2 Contract Award *83*
M.3.3 Criteria for Conveyance *83*
M.4 EVALUATION FACTORS AND SUBFACTORS 83
M.4.1 Order of Importance for Evaluating Factors and Subfactors: *84*
M.4.2 Mission Capability *84*
M.4.3 Past Performance *87*
M.4.4 Proposal Risk *88*
M.5 SUBCONTRACTING PLAN 90
M.6 SOURCE-SELECTION ORGANIZATION 90

{USER NOTE: USE SF 33}

NOTICE OF SOURCE SELECTION

You are hereby notified that a source selection is in progress for Utilities Privatization of the electric, natural gas, water, wastewater distribution/collection systems at **{Base Name}**, **{Solicitation Number}**. The anticipated period of Source Selection is **{Date}** through approximately **{Date}**. **DURING THIS PERIOD UNTIL CONTRACT AWARD, OFFERORS REQUESTING INFORMATION REGARDING THE PROJECT SHALL CONTACT THE CONTRACTING OFFICER ONLY. CONTACTS TO OTHER AIR FORCE PERSONNEL OR NON-GOVERNMENT ADVISORS ARE PROHIBITED. The Contracting Officer or his/her representatives are the only persons authorized to contact offerors, and the Contracting Officer is the only person authorized to release information regarding an ongoing Source Selection. Refer questions or communications concerning this solicitation directly to the Contracting Officer, {Contracting officer, address, phone number, email address}. (E-mail is the preferred method.)**

SECTION B

Supplies or Services and Prices/Costs

B.1 Clauses and Provisions

Clauses and provisions from the Federal Acquisition Regulation (FAR) and its supplements are incorporated in this document by reference and in full text. Those incorporated by reference have the same force and effect as if they were given in full text.

Sections K, L, and M will be physically removed from any resultant award but will be deemed to be incorporated, by reference, in that award.

B.2 Scope and Purpose

B.2.1 General

The Government is requesting proposals for the purpose of selling the electric, natural gas, water, and wastewater utility systems located on _____ Air Force Base (AFB). Concurrent with the sale of the utility system the Government will acquire electrical distribution, natural gas distribution, water distribution, and wastewater collection/treatment service. The sale of the utility system and the acquisition of utility services are both subject to terms and conditions provided in this request for proposal.

B.2.2 Statutory Directive

The sale of the utility system is authorized by and conducted under 10 USC § 2688. The sale of the utility system is not an acquisition and therefore is not subject to the FAR and its supplements. A copy of 10 USC § 2688 is provided as Attachment J44 to this Request for Proposal (RFP). The acquisition of utility services is an acquisition and will be governed by the FAR and its supplements.

B.2.3 Program Goal

The desired goal of this sale is to transfer all right, title, and interest of the United States in and to the electric, natural gas, water, and wastewater utility systems on _____ Air Force Base. Consequently, the United States will retain no reversionary interests in the utility system sold, other than the terms regarding Right of Access upon its expiration or termination. The sale will be documented by the Bill of Sale, see Attachment J42 to this RFP. Regardless of the length of the Operation and Maintenance service contract, the sale of the utility system is in perpetuity. The utility system being sold includes all equipment, fixtures, structures, and other improvements utilized in connection with the utility system which will be more specifically described in Exhibit A of the Bill of Sale. The divestiture will not include the real property upon, under, or around the utility system. The utility system being sold is as identified in the Bill of Sale and does not include any other property. In addition to the sale of the utility system identified in the Bill of Sale, the Government will also acquire electrical distribution, natural gas distribution, water distribution, and wastewater collection/treatment service. That acquisition will be conducted in accordance with the FAR and its supplements and as set forth in this RFP. The Contractor shall

furnish all necessary labor, management, supervision, permits, equipment, supplies, materials, transportation, and any other incidental services for the complete ownership, operation, maintenance, repair, upgrades, and improvements to these utility systems. The Contractor will provide these services in accordance with all terms, conditions, and special contract requirements, specifications, attachments, and drawings contained in this solicitation or incorporated by reference.

B.2.4 Notices and Reservations

B.2.4.1 The Government will only acquire utility services if it sells the utility systems. It can only sell the utility systems if it determines that (1) the long-term economic benefit of the conveyance to the United States exceeds the long-term economic cost of the conveyance to the United States, and (2) the conveyance will reduce the long-term costs of the United States for utility services provided by the utility system concerned. Award, if at all, will only be made by the duly authorized execution of the Bill of Sale and the utility service contract.

B.2.4.2 The sale of the utility systems is not governed by the FAR, the Federal Property and Administrative Services Act of 1949, or any of their implementing regulations. The Government may choose to adopt and adapt for use in the sale the processes and methods typically utilized in those laws and regulations, but by doing so is not thereby subjecting the sale to those laws and regulations.

B.2.4.3 The Government reserves the right to make no award to any Offeror. If it does make award, the Government does not guarantee contract renewal at the end of the contracted period.

B.2.4.4 The property being sold in this action will be as described in the Bill of Sale. Any proposal that offers an alternative description of the property being sold will be deemed non-responsive.

B.2.5 Selection of a Contractor

Selection of a Contractor will be based on a best-value determination consistent with the evaluation factors described in Section M, *Evaluation Factors for Award.* Pursuant to the provisions of L.2, *Information to Offerors*, and FAR 52.215-1, the Government intends to negotiate with all responsible and responsive Offerors who submit proposals within the competitive range. FAR 15.306(c) requires the Procuring Contracting Officer to establish a competitive range comprised of all of the most highly rated proposals. This competitive range may further be limited to the greatest number of proposals that will permit an efficient competition and those Offerors outside the competitive range will not be allowed to continue participating in the procurement. Therefore, Offerors are encouraged to submit their best offer as their initial offer.

B.3 Systems to be Privatized

The contract line item numbers (CLINs), shown in Schedule B-1, represent the utility systems included in this solicitation for privatization:

SCHEDULE B-1
Utility System Contract Line Item Numbers

(User Note: Consecutively number each system at each base included in the RFP. The numbers shown in this template are for illustration. For example: a solicitation of a single Installation privatizing the four main utility systems would define the CLINs as 0001 _____ AFB Electric system, 0002 _____ AFB Natural Gas system, 0003 _____ AFB Water system, 0004 _____ AFB Wastewater system)

CLIN	Installation	Utility System
0001	_____ AFB, State	(Electric, Natural Gas, Water, or Wastewater)
0002	_____ AFB, State	(Electric, Natural Gas, Water, or Wastewater)
0003	_____AFB, State	(Electric, Natural Gas, Water, or Wastewater)
0004	_____AFB, State	(Electric, Natural Gas, Water, or Wastewater)

B.4 Offers for Multiple Systems

Offerors may submit individual offers or create bundles from the contract line items listed in Schedule B-1 above. For each created bundle, the Offeror shall offer a separate price schedule for each contract line item. Bundled offers that do not include a separate price for each line item will not be considered for award. Each system will stand on its own merit; however, a bundled proposal will be evaluated as a bundled package.

B.5 Price Proposal

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.

(User note: A Schedule B-2 must be filled out for each system using a distinct CLIN by the Contracting Officer.)

SCHEDULE B-2

Utility Service Payment by the Government

CLIN[a]	Utility System			
Sub-CLINs	**Supplies/Services**	**Unit**	**Monthly Service Charge**	**Total Annual Amount**
AA	Purchase Price. [c] $_____. LESS Recoverable Portion of the Purchase Price. $_____. The Monthly Credit as Payment for Purchase Price and Recoverable Portion of the Purchase Price will be amortized over the first _____months of service at an interest rate that is (specify either of the following) ____ percentage points above or ____ percentage points below the annual interest rate on U.S. Treasury Bonds in effect at the time of award. [d]	LS	$(_____)	$(_____)
AB	Fixed Monthly Charge to Operate and Maintain the Utility System and for Continuing Renewals and Replacements for Electric, Natural Gas, Water, or Wastewater Utility Systems. [b]	LS	$ _____	$_____
AC	Initial Capital Upgrades Initial Capital Upgrades will be handled in accordance with Section H.10.1 and Schedule L-3.		N/A	N/A
AD	Transition Period (Contract Award through Contract Start) Contractor proposed days _____. Fixed charge.	LS	$_____	$_____

[a] CLIN number to be filled in by the Offeror. CLIN numbers are shown in Schedule B-1, *Utility System Contract Line Item Numbers*.
[b] The annual amount is calculated by extending the monthly service charge by 12 months. Price changes for Sub-CLIN AB will be determined IAW B.7,*Type of Contract-Fixed Price with Prospective Price Redetermination*, and G.3*, Fixed Monthly Charge Adjustment*.
[c] The Purchase Price (Sub-CLIN AA), Recoverable Portion of the Purchase Price, interest rate and amortization period are proposed by the Offeror. The *Recoverable Portion of the Purchase Price* cannot exceed the *Purchase Price*.
[d] The interest rate on U.S. Treasury Bonds (30-years) is as established in the most recent 30-year bond issue prior to the time of award, and published in the Federal Register. (http://www.federalreserve.gov/releases/H15/update/)

B.5.2 Prepayment Option

The Government may prepay any or all capital investment costs that would normally be recovered through Sub-CLIN AC. Prepayments, minus prepayment expenses permitted under the FAR, will reduce the remaining unpaid principal in the amortization schedule established for Sub-CLIN AC. The amortization schedule will be recalculated based on the new, reduced principal amount amortized over the number of months remaining in the original amortization schedule. The interest rate used in the recalculated amortization will be the same as that used in the original amortization schedule.

B.6 Alternate Price Proposal

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.

SCHEDULE B-3

Utility Service Payment by the Government

_____ (Installation Name)		
CLIN: _____	**Utility System: _____**	
Sub-CLINs	**Supplies/Services**	**Tariff/Schedule/Rate**
AA	Purchase Price. $_____. LESS Recoverable Portion of the Purchase Price. $_____. The Monthly Credit as Payment for Purchase Price and Recoverable Portion of the Purchase Price will be amortized over the first _____months of service at an interest rate that is (specify either of the following) ____ percentage points above or ____ percentage points below the annual interest rate on U.S. Treasury Bonds in effect at the time of award.	$_____
AB	Applicable Tariff(s) or Special Contract Rate(s) filed with and under the jurisdiction of the State Public Utility Commission	$_____
AC	Transition Period (Contract Award through Contract Start) Contractor proposed days _____. Fixed charge.	$_____

B.6.2 Service Charges for Alternate Price Proposals

B.7, *Type of Contract – Fixed Price - Price Redetermination—Prospective (FAR 52.216-5),* does not apply to tariff rates. See clause FAR 52.241-7, *Change in rates or terms and conditions of service for regulated services.* The requirements of the FAR clause on Disputes, 52.233-1, are supplemented to provide that in regard to the interpretation of retail rates, rate schedules, and items directly related to rates and rate schedules, provided under this contract, the contracting officer will accept as authoritative the interpretations of any state-wide public utility regulatory authority with jurisdiction over the contractor.

B.6.2.1 Sub-CLIN AA: Monthly Credit as Payment for Purchase Price

Monthly Credit as Payment for Purchase Price: The monthly credit is the monthly portion of the purchase price that will be credited to the Government over the number of months proposed by the offeror. The purchase price is the product of the monthly credit multiplied by the number of months the Government will receive the credit.

B.6.2.2 Sub-CLIN AB: Applicable Tariff(s)

The offeror shall propose a tariff rate or rates no less favorable than that offered to similarly situated utility customers. The offeror shall specify each proposed tariff and the buildings to which it applies (see L.9, *Proposal Preparation Instructions - Volume IV: Price Proposal*).

The total monthly price due to the Contractor will be the sum of the amount due under the Applicable Tariff(s), and the recoverable portion of the purchase price as defined in paragraph L.9.6.1, *Monthly Credit as Payment for Purchase Price*.

B.7 Type of Contract – Fixed – Price Contract with Prospective Price Redetermination

(See FAR 52.216-5 under Clause I.7)

SECTION C

Description/Specifications/Work Statement

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.

C.2 General

C.2.1 Qualified Utility Providers

As defined herein, the Government is seeking qualified utility providers to assume ownership of Government utility system(s) and provide utility service(s). This includes, but is not limited to, the obligation to ensure adequate and dependable utility service(s) to all facilities and equipment served.

If a regulated utility provider assumes ownership of the utility system, the utility service shall be consistent with service provided to similar utility customers.

This service or services shall comply with all applicable federal, state, interstate, and local laws and regulations, as they may be amended from time to time, including those requirements relating to health, safety and the environment. The Contractor shall modify its service practice as necessary to accomplish such compliance.

If a change in the service requirement necessitated by such compliance constitutes reasonable cause for a change in service charge, the charge will be re-negotiated in accordance with Paragraph G.3, *Fixed Monthly Charge Adjustment*.

C.2.2 Utility Systems

The following attachments are included in Section J and are herein referred to as utility-specific attachments. Each utility-specific attachment provides details specific to each Installation utility system and requirement. Upon contract award(s), the appropriate attachments will be included in the contract and the others will be removed.

C.2.2.1 Air Force Systems

TABLE C.2.2-1
AFB Utility-Specific Attachments

RFP Attachment	Base	Utility System
J1	_____ AFB	Electric System
J2	_____ AFB	Natural Gas System
J3	_____ AFB	Water System
J4	_____ AFB	Wastewater System

C.2.3 Current Service Arrangement

The Installations currently use government-owned facilities to provide utility services. The utility-specific attachments (Section J) describe the current service arrangement for each utility service and define specific requirements.

C.3 Requirement

C.3.1 Utility Service Requirement

Subject to the terms and conditions hereinafter set forth, the Contractor shall furnish all facilities, labor, materials, tools, and equipment necessary to provide the services required by this contract. This contract does not include the purchase of commodities.

If a regulated utility is chosen to own and operate the utility system, it shall furnish all facilities, labor, materials, tools, and equipment necessary to provide the services required to operate and maintain the Government utility system consistent with the operation and maintenance of Contractor's regulated utility system.

The Contractor shall manage, control and perform its operations, maintenance, repairs, replacements, and incidentals of its utility system(s) to provide firm, reliable, and dependable utility service to each Government or tenant connection within the service area 24 hours each and every day. **The Contractor shall be responsible for funding all capital investments required to acquire, maintain, and operate its utility system(s) in a safe and reliable condition and to meet all the requirements listed herein.**

The Contractor shall obtain and maintain current any and all licenses, permits, or certifications necessary to own, maintain, and operate its utility system(s). Access to its utility system will be as specified in paragraph C.6, *Access to the Utility System*.

C.3.2 Performance Standards

Subject to applicable legal requirements, unless otherwise provided for in this contract, the Contractor shall perform its required service(s) in accordance with the Contractor's proposed Quality Management Plan (QMP) submitted in response to the solicitation and any subsequent revision thereto.

If the Contractor is a regulated utility, it shall perform its contract services in accordance with state utility regulatory commission standards and regulations.

C.3.3 Sub- Metering

The Contractor shall be responsible for reading, maintaining, and calibrating all sub-meters on the privatized utility system(s), including those additional meters identified in the utility-specific attachments (Section J) to be installed by the Contractor. Those additional sub-meters shall be installed within the transition period defined in paragraph C.13.4.2, *New Meter Requirements*. The Government will use sub-meters for internal installation billing purposes and for commodity management and energy conservation purposes.

Meter reading reports shall be submitted to the recipient identified in the utility-specific attachments (Section J).

All costs for providing, installing, reading, reporting, and maintaining the meters shall be the responsibility of the Contractor. Contractors are encouraged to incorporate remote meter reading technology. Meter reading and reporting costs that are significantly higher than those originally estimated, due to changing Government requirements, shall entitle the Contractor to additional compensation. A regulated utility Contractor providing service under standard regulated service rates or tariffs shall not be required to provide meter readings under such rates or tariffs if to do so would be inconsistent with the Contractor's standard method of service.

C.3.3.1 Future Sub-Meters

The Contractor shall provide, install, read, maintain, and calibrate sub-meters requested by the Government for any purpose throughout the contract period. Installation of and responsibility for future sub-meters (not on the system at the time of sale or identified for installation as part of the service contract) may constitute reasonable cause for a service charge adjustment. Any service charge adjustment as a result of these actions will be in accordance with paragraph G.3, *Fixed Monthly Charge Adjustment*.

C.3.3.2 Sub-Meter Calibration

The frequency and accuracy of sub-meter calibration shall be in accordance with the manufacturer's recommendations and applicable regulations that govern meter calibration.

C.3.4 Energy and Water Efficiencies and Conservation

The Contractor shall strive to provide energy- and water-efficient systems. The Government has an established program for conducting and implementing energy- and water-saving and conservation projects to reduce utility usage and costs. Some of these have resulted in the Government entering into long-term financing arrangements with non-government entities. The utility-specific attachments (Section J) identify any such energy- and water-savings projects that are currently in place for the specific utility system.

The Contractor agrees to take no action that will negatively impact these projects without prior approval of the Administrative Contracting Officer. Additionally, the Government reserves the ability to enter into any future energy- and water-savings projects with the goal of reducing Government costs. The Contractor agrees to take no action that will prohibit or negatively impact implementation of any such future energy- and water-savings projects. Any project implemented by the Government that changes the privatized system shall only be by mutual agreement.

The Contractor is encouraged to propose upgrades to the Government that will increase the overall efficiency of the utility system. Efficiency upgrades shall be proposed to the Government in accordance with paragraph C.11, *Upgrades and Renewals and Replacements*. The Government may consider cost-savings sharing and incentives either through service charge adjustments or lump-sum payments. Service charge adjustments resulting from future efficiency upgrades will be handled in accordance with paragraph G.3, *Fixed Monthly Charge Adjustment*.

C.3.5 Energy/Water Commodity Supply

Electric, natural gas, and water commodity supply is not included in this contract, even if water and/or electricity production facilities are included as part of the system to be conveyed. The Government retains the right to procure or supply electricity, and/or natural gas, and/or water, that will be transported on the system(s) covered by this contract from any source, including the Contractor, if the Contractor proposes to supply it via an alternate proposal.

C.3.6 Wastewater Effluent Disposal

Where a wastewater treatment plant is being conveyed, the Contractor shall own all effluent at the point of demarcation as identified in the Section J4 attachment. Where no treatment plant is being conveyed, the Government may choose to continue its current source of wastewater treatment (as opposed to collection) unless otherwise negotiated with the contractor. If the Government chooses to continue with its current source of wastewater treatment, it shall own the effluent; if it chooses to have the Contractor provide for wastewater treatment, the Contractor shall own all effluent at the point of demarcation as identified in the applicable real estate document.

C.4 Service Area

The service area is defined as all areas within the Government installation boundaries and any other facilities and property boundaries under the control of the Installation as defined in the utility-specific attachments (Section J). Within the service area and upon the Government's request, the Contractor shall provide utility service to all existing and new customers. At any time, by written order, the Administrative Contracting Officer may designate any location within the service area where utility service under this contract shall commence or be discontinued. Any service charge adjustment as a result of these actions will be in accordance with paragraph G.3, *Fixed Monthly Charge Adjustment*.

C.5 Utility System Ownership, Employees, and Security

C.5.1 Utility System Ownership

C.5.1.1 Utility System

A general description of the utility system(s) assets to be transferred is included in the utility-specific attachments (Section J). Prior to the transfer of title, such facilities shall continue to be owned by the Government. Transfer of title shall be accomplished by Bill of Sale. The Bill of Sale shall provide the complete list of all assets to be sold.

A Bill of Sale is provided in Section J (Attachment J42). The parties shall prepare and execute such additional documents as may be necessary to implement the ownership transfer.

C.5.1.2 Tools, Vehicles, and Equipment

Unless listed in the final Bill of Sale, government-owned tools, vehicles, and equipment that are not a physical part of the utility system and are used by the Government for system operations and maintenance will remain the property of the Government.

C.5.1.3 Contractor Facilities

Unless otherwise provided for in this contract, the Contractor, at its expense, shall acquire, furnish, install, and operate and maintain all facilities required to provide the utility service(s) hereunder. The Contractor shall have title to all facilities it builds and equipment it installs under this contract, except as otherwise specifically provided.

New construction or remodeling existing facilities shall comply with the Installation's architectural standards.

The Contractor shall comply with any request from the Installation regarding the placement of new or renewal utility systems either overhead or underground, unless to do so would cause the Contractor to violate any applicable law or regulation or would be inconsistent with sound utility operational practices. New or renewal utility system upgrades shall be presented to the Government in accordance with paragraph C.11.2, *Capital Upgrades and Renewals and Replacements Plan.*

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.

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.

C.5.1.6 Record Drawings

The Contractor shall maintain record drawings for all existing and new facilities installed by the Contractor within the service area. Upon reasonable request and with reasonable notice, the Government may use and copy such drawings. The Contractor shall provide available drawings to the Government in the form of CAD-CAM disks using the latest release software compatible with Government systems at no cost to the Government. The Contractor will also provide information to allow for updates to the installation Geographical Information System (GIS), as appropriate.

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.

C.5.2 Employees

The Contractor shall not employ any person for work on this contract if such person is identified to the Contractor as a potential threat to the health, safety, security, general well being, or operational mission of the Installation or population.

C.5.2.1 Speaking, Reading, and Understanding English

Where reading, understanding and discussing environmental, health and safety warnings are an integral part of a contract employee's duties, that employee shall be able to understand, read, write, and speak the English language. All employees that interface with customers shall be able to speak and understand the English language.

C.5.2.2 Employee Certification

The Contractor shall ensure that employees meet all applicable federal, state, local, and installation certification, licensing, and medical requirements to perform all assigned tasks and functions as defined in this contract.

C.5.2.3 Conflict of Interest

The Contractor shall not knowingly employ any person who is a U.S. Government employee if employing that person would create a conflict of interest. Additionally, the Contractor shall not knowingly employ any person who is an employee of the Government, either military or civilian, unless such person seeks and receives approval according to DODR 5500.7, Joint Ethics Regulations (JER).

C.5.2.4 Employment of Military Personnel

The Contractor is cautioned that off-duty active military personnel hired under this contract may be subject to permanent change of station, changing duty hours, or deployment. Military reservists and National Guard members may be subject to recall to active duty. The abrupt absence of these personnel could adversely affect the Contractor's ability to perform. However, their absence at any time shall not constitute an excuse for nonperformance under this contract.

C.5.2.5 Employment of Quality Assurance Representative Personnel

The Contractor is prohibited from knowingly employing Quality Assurance Representatives (QAR) who are responsible for monitoring any contracts/subcontracts awarded to the Contractor.

C.5.2.6 National Agency Check

The Contractor shall provide sufficient information to obtain complete and favorable National Agency Check (NAC) investigations for its employees for unescorted entrance into restricted areas on base. The Government shall be responsible for the cost to obtain National Agency Checks. Normal access to the installation shall be in accordance with paragraph C.6, *Access to the Utility System*. The Contractor shall justify to the Installation Security Forces requests for NAC on Contractor employees requiring unescorted entry into restricted areas. Final approval for unescorted entry into restricted areas rests with the Installation Commander.

C.5.2.7 Controlled Access Areas

The Contractor shall apply for personnel security clearances within 5 days after receipt of the facility clearance or within 30 days after award of the contract if the Contractor possesses a facility clearance, whichever is sooner. Personnel requiring access to secured areas or restricted areas under the control of the Installation shall comply with applicable regulations.

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.

C.6 Right of Access to the Utility System

C.6.1 Access

The Contractor shall have reasonable access to the Installation (Premises) to accomplish its duties and responsibilities under the Contract. Such access is subject to the general supervision and control of the Installation's commander and his duly authorized representatives to provide a generic statement of the contractor's rights.

In accepting the rights, privileges, and obligations established hereunder, the Contractor recognizes that the Installation serves the national defense and that the Government will not permit the operation, construction, installation, repair, and maintenance of a utility system and the provision of utility services to interfere with the Installation's military mission. This Installation is an operating military installation that is closed to the public and is subject to the provisions of the Internal Security Act of 1950, 50 U.S.C. § 797, and of 18 U.S.C. § 1382. Access to the Installation is subject to the control of its Installation Commander and is governed by such regulations and orders as have been lawfully promulgated or approved by the Secretary of Defense or by any designated military commander. Any access granted to the Contractor, its officers, employees, contractors of any tier, agents, and invitees is subject to such regulations and orders. This Right of Access is subject to all regulations and orders currently promulgated or which may be promulgated by lawful authority as well as all other conditions contained herein. Such regulations and orders may, by way of example and not by way of limitation, include restrictions on who may enter, how many may enter at any one time, when they may enter, and

what areas of the Installation they may visit, as well as requirements for background investigations, including those for security clearances, of those entering. The Contractor is responsible for the actions of its officers, employees, contractors of any tier, agents, and invitees while on the Installation and acting under this Right-of-Access.

In the event all or any portion of the Premises shall be needed by the United States or in the event the presence of the Contractor's property shall be considered detrimental to governmental activities, the Contractor shall, from time-to-time and upon notice to do so, and as often as so notified, remove or relocate its property to such other location or locations on the Premises as may be required by the contracting officer or authorized representative, and in the event the Contractor's property shall not be removed or relocated within ninety (90) days after any aforesaid notice, the Government may cause the same to be done. Any removal or relocation of the Contractor's property at the direction of the Government under this Condition 4.3 shall be at the Government's expense.

The Contractor further recognizes that the operation, construction, installation, repair, and maintenance of the utility system on the Installation may be subject to requirements and approvals not ordinarily imposed by civilian authorities, including, but not limited to, compliance with the National Environmental Policy Act of 1969, as implemented. The Contractor agrees to abide by all applicable regulations

C.6.2 Condition of the Premises

The Premises are granted in an "as is, where is" condition without any warranty, representation, or obligation on the part of the Government to make any alterations, repairs, improvements, or corrections to defects whether patent or latent. At such times and for such part of the Premises as said officer may determine, the Government and the Contractor, hereinafter referred to as the "Parties", will sign a Physical Condition Report to reflect the condition of the Premises prior to the Premises being disturbed by the activities of the Contractor. Such Report shall be used to indicate the condition of the Premises prior to their being disturbed in order to compare them with the Premises subsequent to the activities of the Contractor to ensure The Contractor has returned the Premises to the condition required by this Right-of-Access.

C.6.3 Alteration of Premises

If the Contractor's property located on the Premises intrudes into airspace subject to regulation under the Federal Aviation Regulations or their Air Force counterparts, such property shall be operated, constructed, installed, repaired, and maintained in conformance with such regulations.

C.6.4 Access for Restoration

Nothing in this Right-of-Access shall be interpreted as interfering with or otherwise limiting the right of the Government and its duly authorized officers, employees, contractors of any tier, agents, and invitees to enter upon the Premises for any lawful purpose.

C.6.5 Other Grants of Access

This Right-of-Access is subject to all outstanding easements, rights-of-way, leases, permits, licenses, and uses for any purpose with respect to the Premises. The Government shall have the right to grant additional easements, rights-of-way, leases, permits, and licenses, and make additional uses with respect to the Premises. However, any such additional easements, rights-of-way, leases, permits, licenses, or uses shall not be inconsistent with the Contractor's use of the Premises under this Right-of-Access. Any interference with the use of or damage to

property under control of the Department of the Air Force incident to the exercise of the rights and privileges herein granted shall be promptly corrected by the Contractor to the satisfaction of the Installation Commander. If the Contractor fails to promptly repair or replace any such property after being notified to do so by the Installation Commander, said officer may repair or replace such property and Contractor shall be liable for the costs of such repair or replacement.

C.6.6 Restoration of Premises

On or before the date of expiration or termination of this Contract , the Contractor shall vacate the Premises and restore the Premises to a condition satisfactory to the Installation Commander without additional expense to the United States Government. Such restoration shall include, if applicable, removal of contamination caused by the Contractor. The Government may, at its sole discretion, consent to the Contractor abandoning all or part of its utility system on the Installation, but such consent must be unequivocal and in writing: Provided, however, that any buried conduits, pipes, ductbanks, tubes, or wires, the nature, location, and depth of which are known to the Contractor and shown on the Contractor's records and which neither contain an environmental contaminant nor pose an environmental or safety hazard, may be abandoned with the Government's consent, which consent shall not be unreasonably withheld.

C.7 Service Interruption/Contingency Plan

The Contractor shall develop and maintain a Service Interruption/Contingency Plan. The Plan shall define procedures and provisions for reacting to all service interruptions. The Plan shall address possible causes for interruption including, but not necessarily limited to, acts of God/ natural disasters, human error, equipment failure, employee strikes, cease and desist orders, and Notice of Violations (NOVs) issued by any regulatory agency. The Procuring Contracting Officer shall approve the Service Interruption/Contingency Plan prior to implementation. The Administrative Contracting Officer shall approve any subsequent revisions, prior to implementation and shall not be altered without the Government's consent, unless the Contractor is a regulated utility and the alterations to the Plan were implemented for all similarly situated customers.

The Service Interruption/Contingency Plan should define the following, at a minimum:

- Cause of interruption
- Detailed contingency plan of action (including Government notifications)
- Estimated time for reestablishment of temporary service
- Estimated time for reestablishment of permanent service

C.8 Routine, Urgent, and Emergency Repair Response

The Contractor shall employ sound utility practices to ensure continuous, dependable, and reliable utility service is provided to the Installation 24 hours each day and to minimize the scope and length of any service disruption. In the event of a service request, at a minimum the Contractor shall meet the requirements defined for routine, urgent, and emergency responses outlined below, or in the utility-specific Attachment Jx.3.

A regulated utility shall employ sound utility practices consistent with PUC, state and federal regulations to provide continuous, dependable, and reliable utility service is provided to the

Installation 24 hours each day and to minimize the scope and length of any service disruption. The service and its restoration in times of outage shall be at least equivalent to the service provided to other similar customers. Regulated utilities shall not have to bid a required time by which service will be restored. Nor do they have to promise to credit the Government for failure to meet their estimated requirements for Routine, Urgent and Emergency Repair Response. In accordance with Clause L.6.1, a regulated utility shall estimate outage times based on historic utility practice, and shall commit to treat the Government the same as it treats other similar customers.

Should the Installation, during the term of this contract, have an Emergency Restoration Plan that prioritizes service restoration, the plan may be presented to the Contractor, and the Contractor shall adhere to the priority list established within the plan.

The Contractor shall credit the Government for failure to meet the requirements for Routine, Urgent, and Emergency Repair Response through a deduction to the monthly invoice. This credit shall be as proposed by the Contractor in Paragraph L.9.6.5, *Monthly Credit to the Government for Delayed Response Times*.

C.8.1 Notification Procedures

The Contractor shall have in place mechanisms, means, or procedures by which installation personnel can submit service requests to the Contractor. If there is an order of precedence of phone numbers for Government personnel to call, the Contractor shall determine and clearly define that precedence. The Contractor also shall clearly identify any difference in service request procedures that apply to routine, urgent, and emergency matters.

The Government will be responsible for disseminating such procedures within the Installation. In addition, the Contractor shall provide to the Administrative Contracting Officer the name of the local Project Manager or other responsible person and an alternate with after-hours contacts' telephone numbers.

C.8.2 Emergency Service Requests

An emergency condition is one that is detrimental to the mission of the base, significantly impacts operational effectiveness, or compromises the safety, health, and life of personnel. Such requests shall include, but are not necessarily limited to, electrical outages, downed power lines, water outages, broken water mains, natural gas outages, natural gas leaks, or wastewater main overflows.

(User Note: The following paragraph outlines the specific response times suggested for a non-regulated utility emergency response. If these requirements are acceptable to the base, leave it as is. If changes are desired, those changes should be put in the utility-specific Attachment Jx.3. and the following paragraph deleted.)

The Contractor shall ensure it is able to receive the Installation's emergency service requests 24 hours a day, every day. Once an emergency request is received, the Contractor shall respond immediately. A representative knowledgeable of the system and the Service Interruption/ Contingency Plan shall be on the site of the emergency within 1 hour. Additionally, repair crews appropriately trained to eliminate the condition must respond to the emergency site within 2 hours. Work will be continuous until the emergency condition is eliminated or downgraded and service is restored. All emergencies will be remedied or downgraded to a non-emergency status within 24 hours. For regulated utilities, the service and its restoration in times of outage for

emergency service requests shall be at least equivalent to the service provided to other similar customers.

C.8.3 Urgent Service Requests

An urgent condition is not an emergency but significantly hinders performance of Installation activities and requires elimination of potential fire, health, and safety hazards (for example, environmental controls, non-emergency utility leaks, special requests and events, plumbing problems, downgraded emergency responses, etc.).

(User Note: The following paragraph outlines the specific response times suggested for a non-regulated utility urgent response. If these requirements are acceptable to the base, leave it as is. If changes are desired, those changes should be put in the utility-specific Attachment Jx.3. and the following paragraph deleted.)

Once an urgent request is received, the Contractor shall respond with a representative knowledgeable of the system and the Service Interruption/Contingency Plan to the site of the request within 24 hours. All urgent requests will be remedied within 5 calendar days. For regulated utilities, the service and its restoration in times of outage for urgent service requests shall be at least equivalent to the service provided to other similar customers.

C.8.4 Routine Service Requests

A routine service request is one that does not pose an immediate threat to public health, safety, or property, or to a mission or operation conducted at the Installation. Such requests may include, but are not necessarily limited to requests for new or relocated service connections.

(User Note: The following paragraph outlines the specific response times suggested for a non-regulated utility routine response. If these requirements are acceptable to the base, leave it as is. If changes are desired, those changes should be put in the utility-specific Attachment Jx.3. and the following paragraph deleted.)

The Contractor is not required to respond to the Installation's routine service requests outside normal duty hours. The Contractor may respond to routine service requests outside of normal duty hours at its option and with appropriate coordination. Initial response to any routine service request shall be made within 5 calendar days, and completed within 30 calendar days of receiving the request. After initial response, the Contractor shall pursue completion of routine service requests with due diligence. For regulated utilities, the service and its restoration in times of outage for routine service requests shall be at least equivalent to the service provided to other similar customers.

C.9 Coordination of Work

C.9.1 Routine Work

Routine work, such as the scheduled repair, replacement, or removal of system components that require service interruption, shall be coordinated with the Contracting Officer's Representative at least 2 weeks prior to commencing work to ensure minimal impact to the mission and operations. The Contractor and Government shall each provide a single point of contact for coordination.

C.9.2 Routine, Urgent, and Emergency Service Requests

Any routine, urgent, or emergency service request by Government personnel shall be reported to the Contractor's service request line or point of contact. Emergency service requests to the Contractor or emergencies identified by the Contractor shall be identified immediately to the Contracting Officer's Representative.

If the request affects building operations, the Contractor shall coordinate all work with the person responsible for the building or facility. The Government shall provide the Contractor with a list of Government representatives and the buildings or facilities for which they are responsible.

The Contractor shall record all service request calls, documenting the time of the call, time of service response, cause of request, and action taken (including time and date completed). Such records shall be retained for 2 years and may be reviewed by the Administrative Contracting Officer upon reasonable request and with reasonable notice.

C.9.3 Connections and Disconnections

The Contractor shall be responsible for adding any additional service points and/or deleting any service points that are no longer required. The Contractor shall coordinate this work with the Contracting Officer's Representative.

If a connection or disconnection constitutes reasonable cause for a change in service charge, the rate will be re-negotiated in accordance with Paragraph G.3, *Fixed Monthly Charge Adjustment*.

C.9.3.1 Temporary Connections

The Contractor shall extend temporary service to the Government or other contractors performing construction projects or other work on the Installation when requested by an authorized Government representative. The Contractor shall coordinate the approved work directly with the respective construction contractor or Administrative Contracting Officer.

Unless otherwise specified by the Administrative Contracting Officer, the Government will not pay for temporary connections or utility usage. However, the Administrative Contracting Officer shall be provided the following information regarding any temporary service connections:

- Name of the Contractor/customer
- Expected duration of the connection
- Description of the connection, including route and type of material

C.9.4 Scheduled Utility Service Interruptions

The Installation reserves the right to reschedule Contractor work requiring service interruption at any time if such interruption might materially adversely affect the Installation's missions and operations. If an interruption is rescheduled, the parties shall coordinate a mutually acceptable alternative time for the scheduled service interruption.

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.

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.

C.9.7 Coordination Meetings

The Contractor shall be available for meetings as reasonably required by the Administrative Contracting Officer. Following any such meeting the Contracting Officer's Representative will prepare meeting minutes and distribute to the Contractor and Administrative Contracting Officer for review and approval.

C.9.8 Exercises and Crisis Situations Requiring Utility Support

The Contractor shall respond to installation emergency and crisis situations (i.e., hostage situations, bomb threats, etc.) and exercises for emergency and crisis situations that require utility support. Participation may be in a simulated capacity equal to other participants. The Contractor shall respond to these events as emergency service calls and respond to the emergency situation with qualified personnel and equipment as soon as possible after notification during normal duty hours. In no case will response be longer than those requirements listed in paragraph C.8.2, *Emergency Service Requests*. The Contractor shall advise and assist the on-scene commander until the event is terminated. Extra work effort under these circumstances may entitle the Contractor to equitable adjustment under the Changes Clause (52.243-1, Alt 1).

C.9.9 Communications Equipment

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.

C9.10 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, contractor 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.

C.10 Environmental Compliance

C.10.1 Permit Compliance

Once ownership of the utility system is transferred, the Contractor shall be the party of record for all environmental permits related to operating the system. Thereafter, the Contractor shall be responsible for obtaining any new or revised permits needed to operate and maintain the utility system. The Government shall remain the party of record and retain responsibility for any applicable permits prior to the transfer of ownership, as defined by paragraph C.13, *Transition Plan*.

C.10.2 Spill Contingencies

The Contractor shall adopt the procedures of the Installation Spill Contingency Plan or shall submit to the Administrative Contracting Officer for review and acceptance a Contractor developed Spill Contingency Plan. A Contractor-developed plan shall be developed in accordance

with the National Response Team's Integrated Contingency Plan Guidance (http://www.epa.gov/swercepp/pubs/one-plan.html).

C.10.3 Hazardous Material and Waste Minimization

Hazardous materials used in utility system operation and maintenance shall be handled in accordance with applicable laws and regulations, Paragraph H.8, *Hazardous Substances*, and the following:

- All hazardous materials used on the Installation shall be accompanied with appropriate Material Safety Data Sheets (MSDS). The Contractor shall submit copies of MSDSs to the Contracting Officer's Representative, and retain a copy of each MSDS onsite.
- The Contractor shall maintain a viable hazardous waste minimization program that includes making every effort to identify non-hazardous or less hazardous materials than those currently in use and recycling versus disposing of consumable wastes.

C.10.4 Asbestos and Lead-based 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.

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 ontract 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-Accessbut 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.

C.11 Upgrades and Renewals and Replacements

C.11.1 Due Diligence Adjustment

The Contractor shall be responsible for all required upgrades and renewals and replacements to maintain and operate the utility system(s) in a safe, reliable condition, and to meet the requirements of this contract.

The Contractor shall base its proposal on the inventory listed in Sections J1-J4. If during the Joint Inventory that takes place during the Transition Period, between contract award and contract start, the Contractor identifies additional inventory not listed in Sections J1-J4, the Contractor may submit a request for an equitable adjustment to the Contracting Officer. If the Contractor determines that the inventory listed in Sections J1-J4 are overstated, the Contractor shall report the extent of the overstatement to the Contracting Officer, who will determine an equitable adjustment as appropriate.

C.11.2 Capital Upgrades and Renewals and Replacements Plan

The Contractor shall prepare and submit a Capital Upgrades and Renewals and Replacements Plan that identifies capital upgrades and major renewals and replacements the Contractor intends to accomplish. The Plan shall contain a list of capital upgrades and renewals and replacements for each of the next five (5) years. The Plan will be revised, updated, and resubmitted each year to cover the next five (5) years. The Plan's first year's upgrade list shall include detailed information including site plans, prices, upgrade schedules, and a construction impact analysis on installation operations, the environment, and safety requirements. For each succeeding year's Plan submittal, upgrades proposed for accomplishment during the first fiscal year (FY) covered by that Plan shall have detailed upgrade information as outlined above. The remaining four (4) years covered by the Plan shall include upgrade lists with upgrade descriptions, prices, and proposed site plans. The Plan will separately identify and distinguish between Renewals and Replacements, Initial Capital Upgrades, and Future Capital Upgrades. (also see Paragraph C11.2.2 for Initial Capital Upgrades)

The work detailed in the Capital Upgrades and Renewals and Replacements Plan will be done at the discretion of the Contractor. To the extent that the Contractor performs such work, the amount recoverable shall be as provided in Paragraph H.10.

The Administrative Contracting Officer will review and hold discussions, as necessary, regarding plans for installation development that will impact system requirements.

C.11.2.1 Renewals and Replacements

Renewals and replacements are the continuing maintenance, repairs, and upgrades that will permit the long-term safe and reliable operation of the utility system—once it has been brought up to standards by the initial capital upgrades—allowing the system to comply with all

requirements and standards imposed by law as well as the standards typically applied by the Contractor to its other utility systems. Renewals and replacements identified in the Capital Upgrades and Renewals and Replacements Plan will be paid under Sub-CLIN AB. Renewals and replacements shall be addressed in the Capital Upgrades and Renewals and Replacement Plan at a level of detail necessary to verify appropriate usage of payments made by the Government. (To the extent that the Contractor does not have other utility systems providing similar utility service to at least 50,000 customers, the Government must consent in writing to renewals and replacements that are beyond the requirements and standards imposed by law; the costs of renewals and replacements to meet the standards typically applied by the Contractor to its other utility systems will not be recoverable from the Government unless such consent is granted.)

C.11.2.2. Initial Capital Upgrades

Initial capital upgrades consist of those repair, replacement, and improvement activities of the Contractor required to ensure the utility system, upon expiration of the initial capital upgrade period, will comply with all requirements and standards imposed by law as well as the standards typically applied by the Contractor to its other utility systems so that subsequent renewals and replacements will permit the long-term safe and reliable operation of the utility system. All initial capital upgrades shall be performed within the first five (5) years of this contract. All initial capital upgrades shall be listed in the first submittal of the Capital Upgrades and Renewals and Replacements Plan and will be described, for all five years, in the same detail required for the first year's upgrade list in Paragraph C.11.2. Under no circumstances will the Government pay for capital upgrades that are not demonstrated to provide a useful and necessary benefit to the Government or derived from a change in legally applicable regulatory requirements or standards. (To the extent that the Contractor does not have other utility systems providing similar utility service to at least 50,000 customers, the Government must consent in writing to initial capital upgrades that are beyond the requirements and standards imposed by law; the costs of initial capital upgrades to meet the standards typically applied by the Contractor to its other utility systems will not be recoverable from the Government unless such consent is granted.)

C.11.2.3 Future Capital Upgrades

The Contractor, through the Capital Upgrades and Renewals and Replacements Plan process, can propose capital upgrades to expand the system or to comply with requirements and standards imposed by law that have changed subsequent to the initial capital upgrade period. Capital upgrades may also include the implementation of new technologies not applied generally throughout the Contractor's other utility systems. The Government reserves the right to determine at its discretion whether it will pay for any portion of proposed future capital upgrades, other than those required to comply with utility operating standards or requirements and standards imposed by law that have changed during the contract term.

C.11.2.4 Requirements and Standards

The Capital Upgrades and Renewals and Replacements Plan shall include an assessment of any new or revised standards that will require system upgrades or modification or affect system operation. The Capital Upgrades and Renewals and Replacements Plan shall clearly address planned system improvements or operational changes needed to comply with any revised standards.

C.11.2.5 Connections and Disconnections

The Capital Upgrades and Renewals and Replacements Plan shall include a list of anticipated new service connections, including a preliminary design and estimated construction costs. The Government will provide a list of new service requirements and anticipated disconnections.

C.11.2.6 Other Information

The Capital Upgrades and Renewals and Replacements Plan shall include such other information the Government may require to assess the long-term condition of the system.

C.11.2.7 Capital Upgrades and Renewals and Replacements Plan Schedule

The Capital Upgrades and Renewals and Replacements Plan shall be submitted to the Administrative Contracting Officer not later than 31 May of each fiscal year for the upcoming fiscal year.

C.12 Non Performance and Abandonment

The Government reserves the right to perform or supplement performance of contract functions with Government designated personnel if the Contractor consistently fails to perform its obligations under the contract, has been notified in writing of failure to perform its obligations, and has not cured the performance failures within a reasonable time. The Contractor shall make its facilities available for this purpose at no cost to the Government for as long as the circumstance requiring Government operation persists. 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.

C.13 Transition Plan

The Contractor shall prepare an Operational Transition Plan for execution during the transition period. The transition period will begin on contract award and end no later than the contract start date. The Contractor shall propose, in Sub-CLIN AD, the length of the transition period. All system assets shall be transferred in accordance with the Bill of Sale.

This transition period is intended to provide the Contractor time to hire a work force, acquire equipment and materials, perform any operations testing, environmental surveys, obtain permits, familiarize themselves with the system(s), eliminate safety hazards, and initiate efforts for construction, maintenance, improvements, new connections, or installation of meters, and otherwise comply with the various requirements of the contract.

The contractor will be paid for transition costs by Sub-CLIN AD. Transition costs are defined as all costs expended pursuant to assuming responsibility for each function/area of this contract during the transition period from the date of Contract Award up to 12:01 a.m. on contract start date. A Firm Fixed Price shall be entered on Sub-CLIN AD.

The Operational Transition Plan is subject to final acceptance by the Contracting Officer. Installation and utility-specific transition items are also found in the utility-specific attachments (Section J). The paragraphs below constitute the minimum requirements for the Contractor developed Operational Transition Plan. In no case shall the Government sign off any transition element until the Contractor demonstrates full capability or the element is otherwise completed.

C.13.1 General Information

The Operational Transition Plan shall clearly define all Contractor personnel holding authority to sign for transfer of operations and property. This shall include the name, title, and clear definition of authority or limitations in authority for each person who will sign for acceptance of final transition.

The Operational Transition Plan shall include provisions for weekly meetings with the Administrative Contracting Officer during the final 8 weeks prior to the contract start date. Weekly meetings shall be held to discuss preparation for transition, coordination with Government functions, communication with Government entities, and other issues potentially affecting or affected by the transition. Weekly meetings shall be coordinated with the Contracting Officer's Representative.

C.13.2 System Operation and Maintenance During Transition

The Operational Transition Plan shall establish system operation and maintenance procedures during the transition period. The transition period will take place with the assistance of installation management. Operations during the transition period may include a period of joint operations with the incumbent Government utility personnel. Joint operations, if requested, will start no more than 60 calendar days prior to the contract start date and will extend not later than the contract start date.

During the first period of joint operations the Government will operate the system and will let Contractor personnel observe Government employees to familiarize themselves with the systems. During this period, if needed, a Government employee familiar with the system will be available to answer questions about the system. The Contractor shall have no more than three employees, per installation, per system, observing Government employees on any given day. During the second period of joint operations Government employees will be available to answer questions about the system and may observe Contractor employees during this period. Government employees will not operate the systems during this second period, but will be available only as advisors.

The Contractor shall assume full responsibility of all operations and maintenance at 12:01 a.m. on the contract start date.

C.13.3 Onsite Familiarization

The Operational Transition Plan may include a period of onsite familiarization for contractor employees. The Contractor shall be limited to five contractor personnel per installation, per system, during the 30 days prior to the contract start date. At least one Government employee will be assigned to be available during normal working hours to indoctrinate contractor personnel on the utility system.

The familiarization time requested and numbers of contractor personnel needing familiarization will be included in the Operational Transition Plan. Onsite training is only an orientation session and is not a technical training course.

C.13.4 System Requirements

The Operational Transition Plan shall provide a plan and schedule for the installation and construction of new connection requirements, new meters, and system improvements.

C.13.4.1 Connection Requirements

The Operational Transition Plan shall include a plan and schedule for the construction of new connections, if identified in the utility-specific attachments (Section J), or any new connections as proposed by the Contractor. The Operational Transition Plan shall include procedures for notification of any related outages and shall provide the names and phone numbers of responsible persons regarding the construction of new connections.

C.13.4.2 New Meter Requirements

The Operational Transition Plan shall include a plan and schedule for installing new meters, if identified in the utility-specific attachments (Section J), or any new meters as may be proposed by the Contractor. All new meters required by this contract shall be installed within the transition period unless otherwise agreed to by both parties. The Operational Transition Plan shall include procedures for notification of any related outages and shall provide the names and phone numbers of responsible persons regarding the installation of new meters.

C.13.4.3 System Upgrades

The Operational Transition Plan shall include a plan and schedule for the construction of any system upgrades proposed by the Contractor, procedures for notification of any related outages, and shall provide the names and phone numbers of responsible persons regarding the construction of system upgrades.

C.13.5 Permits and Procedures

The Government will make initial notification to state agencies regarding the termination or transfer of environmental permits and/or other items, if needed. The Operational Transition Plan shall include a plan and schedule for the transfer or acquisition of permits as required. It is essential that advanced planning occurs and the Contractor initiates the acquisition of permits within 1 week after contract award.

C.13.6 Inventory and Transfer Requirements

Checklists will be the basis for the transfer of operations to the Contractor.

C.13.6.1 Inventory and Transfer of Facilities and Fixed Equipment

The Operational Transition Plan shall include a detailed plan, schedule, and checklist for the joint inventory of all facilities and fixed equipment, to include building structures and installed equipment.

C.13.6.2 Inventory and Transfer of Non-fixed Equipment, Spare Parts, and Personal Property

The Operational Transition Plan shall include a detailed plan, schedule, and checklist for the joint inventory of personal property transferring from the Government to the Contractor.

C.13.6.3 Transfer of Manuals and Records

The Operational Transition Plan shall include a detailed plan, schedule, and checklist for the joint inventory of all operating manuals, record drawings, plans and specifications, maintenance records, and other such information available for each utility.

C.13.6.4 Joint Inventory

The joint inventory will be completed prior to the contract start date. The final Bill of Sale will be amended to reflect the results of the joint inventory.

C.13.7 Initial Meter Readings

The Operational Transition Plan shall include a description and schedule for joint meter readings for secondary meters in place prior to transition.

C.14 Specialty Training Requirements

The contractor shall provide training to government military personnel as requested. Many installations have commitments to train personnel in support of wartime and contingency operations worldwide. This ongoing commitment relies heavily on the presence of a utility system to conduct structured, individual skill training. Degradation of individual skills can seriously affect wartime and contingency operations, may result in the loss of a student's Air Force skill level (Craftsman Journeyman title), and can have a negative impact on a unit's Type Code (UTC) rating. If the installation has such a requirement to provide individual skills training, then the contractor shall provide the required training. All training must comply with the minimum requirements specified in the guidelines set forth in attachment J43, Specialty Skills Training Requirements.

SECTION D

Packaging and Marking

None

SECTION E

Inspection and Acceptance

FAR 52.252-2 Clauses Incorporated by Reference (Feb 1998)

(IAW FAR 52.107(b])

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text.

The full text of a clause may be accessed electronically at these addresses:

http://farsite.hill.af.mil (All CLAUSES) and http://www.arnet.gov/far (FAR Clauses ONLY [Clauses I-11 through I-750]). (End of Clause)

The following FAR Clause is Incorporated by Reference:

FAR 52.246-4: Inspection of Services -- Fixed-Price (Aug 1996)

IAW FAR 46.304

SECTION F

Deliveries or Performance

F.1 Contract Term

The Contractor(s) agrees to furnish, and the Government agrees to purchase, utility distribution and/or collection services, in accordance with the terms and conditions of this solicitation, for a maximum period of 50 years commencing with the date of award. If the Government terminates the contract, whether for convenience or default, the appropriate FAR termination clauses will apply.

F.2 Commencement of Service

The Contractor shall complete all transitions and be prepared to provide utility services on the contract start date.

F.3 Extension of Contract Performance Period

The current contract performance period may be extended on a month-to-month basis for up to 6 months on the same terms and conditions upon the mutual agreement of the parties. The Government shall furnish to the Contractor notice of its intent to extend the contract at least 45 days prior to the expiration of the initial contract.

However, nothing in this paragraph precludes the Contractor from accepting an extension of the contract if the Government fails to issue the notice within the 45-day timeframe.

F.4 FAR 52.252-2 Clauses Incorporated by Reference (Feb 1998)

(IAW FAR 52.107(b])

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text.

The full text of a clause may be accessed electronically at these addresses:

http://farsite.hill.af.mil (All CLAUSES) and http://www.arnet.gov/far (FAR Clauses ONLY [Clauses I-11 through I-750]). (End of Clause)

The following FAR Clauses are Incorporated by Reference:

FAR Paragraph	Clause Title	Date
52.242-15	Stop Work Order IAW 42.1305(b)(1)	Aug 1989
52.242-17	Government Delay of Work IAW 42.1305(d)	Apr 1984

SECTION G

Contract Administration Data

G.1 DFARS 252.201-7000: Contracting Officer's Representative

Contracting Officer's Representative means an individual designated in accordance with subsection 201.602-2 of the Department of Defense FAR Supplement and authorized in writing by the Administrative Contracting Officer to perform specific technical or administrative functions.

If the Administrative Contracting Officer designates a Contracting Officer's Representative, the Contractor will receive a copy of the written designation. It will specify the extent of the Contracting Officer's Representative authority to act on behalf of the Administrative Contracting Officer. The Contracting Officer's Representative is not authorized to make any commitments or changes that will affect price, quality, quantity, delivery, or any other term or condition of the contract.

G.2 Submission and Payment of Invoices

The Government will pay the Contractor for utility service through a Fixed Monthly Charge. Subject to the provisions for measurement set forth in Section B, utility services will be billed according to the Sub-CLIN items in Schedule B-2 or Schedule B-3 on a monthly basis.

The Contractor shall prepare and send one original invoice and four copies to the Installation for payment by the 25th of each month for the previous month's billing period. Invoices shall be sent to the recipient and address identified in the utility-specific attachments (Section J).

G.3 Fixed Monthly Charge Adjustment

At the request of either party to this contract, and with reasonable cause, the Fixed Monthly Charge may be re-negotiated in accordance with B.7, *Type of Contract – Fixed – Price Contract with Prospective Price Redetermination*. This paragraph applies to Sub-CLIN AB only, and does not apply to any other sub-CLIN. However, neither party shall request a change to Sub-CLIN AB to become effective sooner than 2 years from the date of award in accordance with Paragraph B.6. This paragraph also does not apply if a regulated utility chooses to submit a proposal using Schedule B-3.

For future capital upgrades resulting from changed service requirements, at the request of either party to this contract, and with reasonable cause, the Fixed Monthly Charge may be re-negotiated, at any time, in accordance with Paragraph H-10.

Any changes to charges, terms, or conditions as a result of negotiations shall be made part of this contract by the issuance of a bilateral contract modification. The failure of the parties to agree upon any change after a reasonable period of time shall be a dispute under the Disputes clause of this contract.

G.4 Accounting Procedures

The Contractor shall maintain records of all costs and payments associated with the provision of utility service(s) to the Installation using the National Association of Regulatory Utility Commissioner's (NARUC) Uniform System of Accounts (USOA), Federal Energy Regulatory Commission (FERC) USOA, or an alternate accounting system acceptable to the Government. 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.

SECTION H

Special Contract Provisions

H.1 Mobilization and Other Contingencies

Among the circumstances in which the provisions of this paragraph may be invoked is a general or limited military mobilization of forces or an emergency that affects contract performance. In the event of either eventuality, the Contractor will be expected to promptly take whatever measures are needed to meet any new demands placed upon it, to include extended work hours and expansion of the contract work force.

Extra work effort under these circumstances may entitle the Contractor to equitable adjustment under the Changes Clause (52.243-1, Alt 1).

H.2 Insurance Requirements

H.2.1 Insurance Certificate

Contractor shall deliver or cause to be delivered upon execution of this contract (and thereafter not less than fifteen (15) days prior to the expiration date of each policy furnished pursuant to this contract) to Government a certificate of insurance evidencing the insurance required by this contract.

H.2.2 Types of Insurance

During the entire period this contract shall be in effect, the Contractor shall carry and maintain or require its contractors performing work on the Premises to carry and maintain:

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.

H.2.2.2 Automobile Liability

Comprehensive automobile liability insurance covering the operation of all automobiles used in connection with the performance of the contract in the minimum limits of $200,000 per person, and $500,000 per accident for bodily injury, and $20,000 per accident for property damage.

H.2.2.3 Workers' Compensation and Employer's liability

If and to the extent required by law, workers' compensation and employer's liability or similar insurance in form and amounts required by law but not less than the amount of $100,000.

H.2.3 General

All policies of insurance which this contract requires the Contractor to carry and maintain or cause to be carried or maintained pursuant to this contract shall be effected under valid and enforceable policies, in such forms and amounts as may, from time to time, be required under this contract, issued by insurers of recognized responsibility. All such policies of insurance shall be for the mutual benefit of Government and Contractor. Each such policy shall provide that any losses shall be payable notwithstanding any act or failure to act or negligence of Contractor or Government or any other person; provide that no cancellation, reduction in amount, or material change in coverage thereof shall be effective until at least sixty (60) days after receipt by Government of written notice thereof; provide that the insurer shall have no right of subrogation against Government; and be reasonably satisfactory to Government in all other respects. In no circumstances will Contractor be entitled to assign to any third party rights of action which the Contractor may have against the Government. The foregoing notwithstanding, any cancellation of insurance coverage based on nonpayment of the premium shall be effective upon ten (10) days' written notice to the Government. The Contractor understands and agrees that cancellation of any insurance coverage required to be carried and maintained by the Contractor under this contract will constitute a failure to comply with the terms of this contract.

H.2.4. Self-insurance.

The requirements to maintain insurance under H.2 may be met by the use of self-insurance only under the following conditions and with the express prior written approval of the contracting officer:

H.2.4.1. If the contractor desires to self-insure, the contractor shall submit to the administrative contracting officer, in writing, a request to self-insure. To support the determination of the contracting officer regarding the request, said officer may request some or all of the following information, to the extent the contractor maintains such information, on the contractors proposed self-insurance program—

(1) A complete description of the program, including any resolution of the board of directors authorizing and adopting coverage, including types of risks, limits of coverage, assignments of safety and loss control, and legal service responsibilities;
(2) If available, the corporate insurance manual;
(3) The terms regarding insurance coverage for any Government property;
(4) The contractor's latest financial statements;
(5) Loss history and premiums history;
(6) The means by which the self-insurance will be funded;
(7) Claims administration policy, practices, and procedures;
(8) The method of projecting losses; and
(9) A disclosure of all captive insurance company and reinsurance agreements, including methods of computing cost.

H.2.4.2. Programs of self-insurance covering contractor's insurable risks, including the deductible portion of purchased insurance, may be approved by the administrative contracting officer when examination of a program indicates that its application is in the Government's interest; such determination is within the sole discretion of the Government. The Government will not approve

a program of self-insurance for workers' compensation in a jurisdiction where workers' compensation does not completely cover the employer's liability to employees, unless the contractor—

(1) Maintains an approved program of self-insurance for any employer's liability not so covered; or

(2) Shows that the combined cost to the Government of self-insurance for workers' compensation and commercial insurance for employer's liability will not exceed the cost of covering both kinds of risk by commercial insurance.

H.2.4.3. Once the administrative contracting officer has approved a program, the contractor must submit to that official for approval any major proposed changes to the program. Any program approval may be withdrawn if the administrative contracting officer finds that either—

(1) Any part of a program does not comply with the requirements of this part and/or the criteria at FAR 31.205-19; or

(2) Conditions or situations existing at the time of approval that were a basis for original approval of the program have changed to the extent that a program change is necessary.

H.2.4.4. To qualify for self-insurance, the contractor must demonstrate to the Government an ability to sustain the potential losses involved. In making the determination, the administrative contracting officer shall consider the following factors:

(1) The soundness of contractor's financial condition, including available lines of credit.

(2) The geographic dispersion of assets, so that the potential of a single loss depleting all the assets is unlikely.

(3) The history of previous losses, including frequency of occurrence and the financial impact of each loss.

(4) The type and magnitude of risk, such as minor coverage for the deductible portion of purchased insurance or major coverage for hazardous risks.

(5) The contractor's compliance with Federal and State laws and regulations.

H.2.4.5. The contractor shall, when submitting any documents under this provision H.2.4, apprise the administrative contracting officer of any such documents that constitute confidential or proprietary business records, and mark those records accordingly.

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.

H.4 Intentionally Left Blank

H.5 Intentionally Left Blank

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.

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.

H.8 Hazardous Substances

The Contractor, at its expense, must comply with all applicable laws on occupational safety and health, the handling and storage of hazardous materials, and the proper handling and disposal of hazardous wastes and hazardous substances generated by its activities. Responsibility for the costs of proper handling and disposal of hazardous wastes and hazardous substances is governed by applicable law. The terms hazardous materials, hazardous wastes, and hazardous substances are as defined in the Federal Water Pollution Control Act, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Solid Waste Disposal Act, the Clean Air Act, and the Toxic Substances Control Act, and their implementing regulations, as they may be amended from time to time.

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.

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

The parties hereby recognize that a purchase by the Contractor of a Government utility systems 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 for which the Contractor is liable, or may become liable because of the Contractor's performance under this contract.

H.10 Accounting for Capital Upgrades

H.10.1 Initial Capital Upgrades (ref. Paragraph C.11.2.2)

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. With every monthly invoice that includes a request for payment for a capital upgrade identified in Schedule L-3, the Contractor shall submit an amortization schedule. The amortization schedule shall specify for each upgrade the additional monthly payment to be included in the Fixed Monthly Charge and the number of the payment (of the total payments required).

H.10.2 Future Capital Upgrades (ref. C.11.2.3)

Future capital upgrades for which the government agrees to pay in accordance with Paragraph C11.2.3 will be added to the Fixed Monthly Charge for the number of months agreed upon when the upgrade is put in useful service. With every monthly invoice that includes a request for payment for such an upgrade, the contractor will include an amortization schedule. The amortization schedule shall specify for each upgrade the additional monthly payment included in the Fixed Monthly Charge and the number of the payment (of the total payments required). For regulated utilities submitting pricing using Schedule B-3, additional payments will be reflected in changes to the tariff or special contract rate in Sub-CLIN AB, Schedule B-3.

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.

Section I

Contract Clauses

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

(IAW FAR 52.107(b))

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text.

The full text of a clause may be accessed electronically at these addresses:

http://farsite.hill.af.mil (All CLAUSES) and http://www.arnet.gov/far (FAR Clauses ONLY [Clauses I-11 through I-750]). (End of Clause)

I.2 FAR Clauses

The following FAR clauses are incorporated by reference:

FAR Paragraph	Clause Title	IAW	Date
52.202-1	Definitions	FAR 2.201	Dec 2001
52.203-3	Gratuities	FAR 3.202	Apr 1984
52.203-5	Covenant against Contingent Fees	FAR 3.404	Apr 1984
52.203-6	Restrictions on Subcontractor Sales to the Government	FAR 3.503-2	Jul 1995
52.203-7	Anti-Kickback Procedures	FAR 3.502-3	Jul 1995
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity	FAR 3.104-9(a)	Jan 1997
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity	FAR 3.104-9(b)	Jan 1997
52.203-12	Limitation on Payments to Influence Certain Federal Transactions	FAR 3.808(b)	Jun 1997
52.204-4	Printing/Copying Double-Sided on Recycled Paper	FAR 4.303	Aug 2000
52.207-3	Right of First Refusal of Employment	FAR 7.305(c)	Nov 1991
52.209-6	Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment	FAR 9.409(b)	Jul 1995
52.215-2	Audit and Records - - Negotiations	FAR 15.209(b)	Jun 1999
52.215-8	Order of Precedence – Uniform Contract Format	FAR 15.209(h)	Oct 1997
	See Section C.1 of contract		
52.215-11	Price Reduction for Defective Cost or Pricing Data—Modifications	FAR 15.408(c)	Oct 1997

FAR Paragraph	Clause Title	IAW	Date
52.215-13	Subcontractor Cost or Pricing Data—Modifications	FAR 15.408(e)	Oct 1997
52.215-21	Requirement for Cost or Pricing Data or Information other than Cost or Pricing	FAR 15.408(m)	Oct 1997
52.217-2	Cancellation Under Multi-year Contracts	FAR 17.109(a)	Oct 1997
52.219-4	Notice of Price Evaluation for HUBZone Small Business Concerns	FAR 19.1308(b)	Jan 1999
52.219-8	Utilization of Small Business Concerns	FAR 19.708(a)	Oct 1999
52.219-9	Small Business Subcontracting Plan	FAR 19.708(b)	Jan 2002
52.219-9	Alternate II	FAR 19.708(b)(1)	Oct 2001
52.219-16	Liquidated Damages—Subcontracting Plan	FAR 19.708(b)(2)	Jan 1999
52.219-25	Small Disadvantaged Business participation Program-Disadvantaged Status and Reporting	FAR 19.1204(b)	Oct 1999
52.222-1	Notice to the Government of Labor Disputes	FAR 22.103-5(a)	Feb 1997
52.222-3	Convict Labor	FAR 22.202	Aug 1996
52.222-4	Contract Work Hours and Safety Standards Act - - Overtime Compensation	FAR 22.305	Sep 2000
52.222-21	Prohibition of Segregated Facilities	FAR 22.810(a)(1)	Feb 1999
52.222-26	Equal Opportunity	FAR 22.810(e)	Apr 2002
52.222-35	Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era	FAR 22.1310(a)	Dec 2001
52.222-36	Affirmative Action for Workers with Disabilities	FAR 22.1408(a)	Jun 1998
52.222-37	Employment Reports on Disabled Veterans and Veterans of the Vietnam Era	FAR 22.1310(b)	Dec 2001
52.223-5	Pollution Prevention and Right-to-Know Information	FAR 23.1005	Apr 1998
52.223-6	Drug-Free Workplace	FAR 23.505	May 2001
52.223-12	Refrigeration Equipment And Air Conditioners	FAR 23.804(b)	May 1995
52.223-13	Certification of Toxic Chemical Release Reporting	FAR 23.907(a)	Oct 2000
52.223-14	Toxic Chemical Release Reporting	FAR 23.907(b)	Oct 2000
52.226-1	Utilization of Indian Organizations and Indian-Owned Economic Enterprises	FAR 26.104(a)	Jun 2000
52.227-1	Authorization and Consent	FAR 27.201-2(a)	Jul 1995
52.228-5	Insurance-Work on a Government Installation	FAR 28.310	Jan 1997

FAR Paragraph	Clause Title	IAW	Date
52.229-3	Federal, State, and Local Taxes	FAR 29.401-3	Jan 1991
52.229-5	Taxes - - Contracts Performed in U.S. - - Possessions or Puerto Rico	FAR 29.401-5	Apr 1984
52.232-1	Payments	FAR 32.111(a)(1)	Apr 1984
52.232-8	Discounts for Prompt Payment	FAR 32.111(c)(1)	Feb 2002
52.232-11	Extras	FAR 32.111(d)(2)	Apr 1984
52.232-17	Interest	FAR 32.617	Jun 1996
52.232-18	Availability of Funds	FAR 32.705-1(a)	Apr 1984
52.232-23	Assignment of Claims, ALT 1	FAR 32.806(a)(1)	Apr 1984
52.232-25	Prompt Payment For the purposes of this clause, the blank(s) are completed as follows: (A)(6)(I) 7th (B)(2) 30th	FAR 32.908(c)	Oct 2003
52.232-33	Payment by Electronic Funds Transfer --Central Contractor Registration	FAR 32.1110(A)(1)	Oct 2003
52.233-1	Disputes (Alt 1)	FAR 33.215	Jul 2002 Dec 1991
52.233-3	Protest after Award	FAR 33.106(b)	Aug 1996
52.237-2	Protection of Government Buildings, Equipment, and Vegetation	FAR 37.110(b)	Apr 1984
52.237-3	Continuity of Services	FAR 37.110(c)	Jan 1991
52.241-8	Change in Rates or Terms and Conditions of Service for Unregulated Services For the purposes of this clause the blank(s) is/are completed as follows: To be determined.	FAR 41.501(d)(2)	Feb 1995
52.242-1	Notice of Intent to Disallow Costs	FAR 42.802	Apr 1984

FAR Paragraph	Clause Title	IAW	Date
52.242-13	Bankruptcy	FAR 42.903	Jul 1995
52.243-1	Changes – Fixed-Price – Alternate I	FAR 43.205(a)(2)	Apr 1984
52.249-2	Termination for Convenience of the Government (Fixed Price)	FAR 49.502(b)(1)	Sep 1996
52.249-8	Default (Fixed Price Supply and Service)	FAR 49.504(a)(1)	Apr 1984
52.252-6	Authorized Deviations in Clauses	FAR 52.107(f)	Apr 1984

I.3 DFARS Clauses Incorporated by Reference

The use in this solicitation or contract of any Defense Federal Acquisition Regulation Supplement (48 CFR Chapter 2) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

The following DFAR clauses are incorporated by reference:

DFARS Paragraph	Clause Title	IAW	Date
252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies	DFARS 203.570-5	Mar 1999
252.203-7002	Display of DoD Hotline Poster	DFARS 203.7002	Dec 1991
252.204-7000	Disclosure of Information	DFARS 204.404-70(a)	Dec 1991
252.204-7003	Control of Government Personnel Work Product	DFARS 204.404-70(b)	Apr 1992
252.204-7004	Required Central Contractor Registration	DFARS 252.204-7304	Nov 2001
252.205-7000	Provision of Information to Cooperative Agreement Holders	DFARS 205.470-2	Dec 1991
252.209-7000	Acquisition from Subcontractors Subject to Onsite Inspection under the Intermediate-Range Nuclear Forces (INF) Treaty	DFARS 209.103-70	Nov 1995
252.209-7001	Disclosure of Ownership or Control by the Government of a Terrorist Country	DFARS 209.104-70(a)	Mar 1998
252.209-7003	Compliance with Veterans' Employment Reporting Requirements	DFARS 209.104-70(c)	Mar 1998
252.209-7004	Subcontracting with Firms that Are Owned or Controlled by the Government of a Terrorist Country	DFARS 209.409	Mar 1998
252.215-7000	Pricing Adjustments	IAW DFARS 215.408(1)	Dec 1991
252.219-7003	Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (DoD Contracts)	DFARS 219.708(B)(1)(a)	Apr 1996
252.223-7004	Drug-Free Work Force	DFARS 223.570-4(a)	Sep 1988
252.223-7006	Prohibition on Storage and Disposal of Toxic and Hazardous Materials	DFARS 223.7103(a)	Apr 1993

DFARS Paragraph	Clause Title	IAW	Date
252.225-7031	Secondary Arab Boycott of Israel	DFARS 225.770-5	Jun 1992
252.231-7000	Supplemental Cost Principals	DFARS 231.100-70	Dec 1991
252.235-7003	Frequency Authorization	DFARS 235.071(b)	Dec 1991
252.236-7005	Airfield Safety Precautions	DFARS 236.570(b)(3)	Dec 1991
252.241-7001	Government Access	DFARS 241.501-70(b)	Dec 1991
252.242-7000	Post-award Conference	DFARS 242.570	Dec 1991
252.243-7001	Pricing of Contract Modifications	DFARS 243.205-71	Dec 1991
252.243-7002	Requests for Equitable Adjustment	DFARS 243.205-72	Mar 1998
252.247-7023	Transportation of Supplies by Sea	DFARS 247.573(b)	Mar 2000

I.4 AFFARS Clauses Incorporated by Reference

The following AFFAR clauses are incorporated by reference:

AFFARS Paragraph	Clause Title	Date
5352.223-9000	Elimination of Use of Class I Ozone Depleting Substances (ODS) (IAW AFFARS 5323.890-7)	May 1996
	Class I ODS Materials **Weight (lb) on hand as of Feb 99**	
5352.223-9001	Health and Safety on Government Installations (IAW AFFARS 5323.9002)	Jun 1997
5352.237-9000	Control and Release of Inspector General Reports (IAW AFFARS 5337.110)	May 1996
5352.242-9000	Contractor Access to Air Force Installations (IAW AFFARS 5342.490-1)	May 2002

USER NOTE: The ODS table above should be filled in only when the AF is turning over CLASS 1 ODS to the contractor. Otherwise delete the ODS table leaving only the referenced AFFAR paragraph, clause title and date. Before the corrected RFPs are put on the street, the CO will need to modify the attachment to delete the chart and instructions or modify the chart to include any Class 1 ODS included in the contract. AFCESA PMs need to notify their AE's to make this correction to any RFPs in progress. They will also need to notify the CO for any RFPs on the street so that this change can be made.

I.5 Non-Regulated Utility Clauses Incorporated by Reference

The following FAR clauses are incorporated by reference if award is made to an entity that is not subject to rate regulation.

Paragraph	Clause Title	IAW	Date

52.222-41	Service Contract Act of 1965, as amended	FAR 22.1006(a)	May 1989
52.222-44	Fair Labor Standards Act and Service Contract Act – Price Adjustment (Multiple Year and Option Contracts)	FAR 22.1006(c)	Feb 2002
52.230-2	Cost Accounting Standards	FAR 30.201-4(a)	Apr 1998
52.230-3	Disclosure and Consistency of Cost Accounting Standards	FAR 30.201-4(b)(1)	Apr 1998
52.230-6	Administration of Cost Accounting Standards	FAR 30.201-4(d)	Nov 1999

I.6 Regulated Utility Clauses Incorporated by Reference

The following FAR clauses are incorporated by reference if award is made to an entity that is subject to rate regulation. Additionally, notwithstanding the FAR clauses incorporated by reference herein or elsewhere or provided in full text, the parties may modify appropriate FAR clauses to conform the contract clauses with similar clauses contained in a regulated utility's GSA Areawide contract.

Paragraph	Clause Title	IAW	Date
52.241-3	Scope and Duration of Contract For the purposes of this clause the blank(s) is/are completed as follows: a. 50 years b. (INSERT TYPE OF SERVICE)	FAR 41.501(c)(2)	Feb 1995
52.241-4	Change in Class of Service	FAR 41.501(c)(3)	Feb 1995
52.241-5	Contractor's Facilities	FAR 41.501(c)(4)	Feb 1995
52.241-6	Service Provisions (a) (1) to be determined percent (2) to be determined days (b) (1) to determined year(s) (2) to be determined percent (3) to be determined percent (c) (1) to be determined hour(s)	FAR 41.501(c)(5)	Feb 1995
52.241-7	Change in Rates or Terms and Conditions of Service for Regulated Services For the purposes of this clause the blank(s) is/are completed as follows: To be determined.	FAR 41.501(d)(1)	Feb 1995
52.241-9	Connection Charge $ to be determined.	FAR 41.501(d)(3)	Feb 1995
52.241-10	Termination Liability For the purposes of this clause the blank(s) is/are completed as follows: To be determined months $ to be determined. $ to be determined. Termination charges = $to be determined.	FAR 41.501(d)(4)	Feb 1995
52.241-11	Multiple Service Location	FAR 41.501(d)(5)	Feb 1995
52.241-12	Non-Refundable, Nonrecurring Service Charge For the purposes of this clause the blank(s) is/are	FAR 41.501(d)(6)	Feb 1995

completed as follows:
Nonrefundable, nonrecurring charge for TBD in the amount of TBD dollars payable.

I.7 Other Clauses

I.7.1 FAR 52.216-5: Price Redetermination – Prospective (Oct 1997)

(USER NOTE: Deviation – Pending approval from USD(AT&T)DP)

(a) *General.* The unit prices and the total price stated in this contract shall be periodically redetermined in accordance with this clause, except that --

(1) The prices for supplies delivered and services performed before the first effective date of price redetermination (see paragraph (c) of this clause) shall remain fixed; and

(2) In no event shall the total amount paid under this contract exceed any ceiling price included in the contract.

(b) *Definition. "Costs,"* as used in this clause, means allowable costs in accordance with Part 31 of the Federal Acquisition Regulation (FAR) in effect on the date of this contract. ***(User note: Proposed deviation language, "This definition only applies to unregulated utility providers.")***

(c) *Price redetermination periods*. For the purpose of price redetermination, performance of this contract is divided into successive periods. The first period shall extend from the date of the contract to two years after the initial date of contract performance, and the second and each succeeding period shall extend for 36 months from the end of the last preceding period, except that the parties may agree to vary the length of the final period. The first day of the second and each succeeding period shall be the effective date of price redetermination for that period.

(d) *Data submission*.

(1) Not more than **120 days** nor less than 90 days before the end of each redetermination period, except the last, the Contractor shall submit --

(i) Proposed prices for supplies that may be delivered or services that may be performed in the next succeeding period, and --

(A) An estimate and breakdown of the costs of these supplies or services in the format of Table 15-2, FAR 15.408, or in any other form on which the parties may agree;

(B) Sufficient data to support the accuracy and reliability of this estimate; and

(C) An explanation of the differences between this estimate and the original (or last preceding) estimate for the same supplies or services; and

(ii) A statement of all costs incurred in performing this contract through the end of the first month before the submission of proposed prices in the format of Table 15-2, FAR 15.408 (or in any other form on which the parties may agree), with sufficient supporting data to disclose unit costs and cost trends for --

(A) Supplies delivered and services performed; and

(B) Inventories of work in process and undelivered contract supplies on hand (estimated to the extent necessary).

(2) The Contractor shall also submit, to the extent that it becomes available before negotiations on redetermined prices are concluded --

(i) Supplemental statements of costs incurred after the date stated in subdivision (d)(1)(ii) of this section for --

(A) Supplies delivered and services performed; and

(B) Inventories of work in process and undelivered contract supplies on hand (estimated to the extent necessary); and

(ii) Any other relevant data that the Contracting Officer may reasonably require.

(3) If the Contractor fails to submit the data required by subparagraphs (d)(1) and (2) of this section, within the time specified, the Contracting Officer may suspend payments under this contract until the data are furnished. If it is later determined that the Government has overpaid the Contractor, the Contractor shall repay the excess to the Government immediately. Unless repaid within 30 days after the end of the data submittal period, the amount of the excess shall bear interest, computed from the date the data were due to the date of repayment, at the rate established in accordance with the Interest clause.

(e) *Price redetermination*. Upon the Contracting Officer's receipt of the data required by paragraph (d) of this section, the Contracting Officer and the Contractor shall promptly negotiate to redetermine fair and reasonable prices for supplies that may be delivered or services that may be performed in the period following the effective date of price redetermination.

(f) *Contract modifications*. Each negotiated redetermination of prices shall be evidenced by a modification to this contract, signed by the Contractor and the Contracting Officer, stating the redetermined prices that apply during the redetermination period.

(g) *Adjusting billing prices*. Pending execution of the contract modification (see paragraph (f) of this section), the Contractor shall submit invoices or vouchers in accordance with the billing prices stated in this contract. If at any time it appears that the then-current billing prices will be substantially greater than the estimated final prices, or if the Contractor submits data showing that the redetermined price will be substantially greater than the current billing prices, the parties shall negotiate an appropriate decrease or increase in billing prices. Any billing price adjustment shall be reflected in a contract modification and shall not affect the redetermination of prices under this clause. After the contract modification for price redetermination is executed, the total amount paid or to be paid on all invoices or vouchers shall be adjusted to reflect the agreed-upon prices, and any requested additional payments, refunds, or credits shall be made promptly.

(h) *Quarterly limitation on payments statement*. This paragraph (h) applies only during periods for which firm prices have not been established.

(1) Within 45 days after the end of the quarter of the Contractor's fiscal year in which a delivery is first made (or services are first performed) and accepted by the Government under this contract, and for each quarter thereafter, the Contractor shall submit to the contract administration office (with a copy to the contracting office and the cognizant contract auditor) a statement, cumulative from the beginning of the contract, showing --

(i) The total contract price of all supplies delivered (or services performed) and accepted by the Government and for which final prices have been established;

(ii) The total costs (estimated to the extent necessary) reasonably incurred for, and properly allocable solely to, the supplies delivered (or services performed) and accepted by the Government and for which final prices have not been established;

(iii) The portion of the total interim profit (used in establishing the initial contract price or agreed to for the purpose of this paragraph (h)) that is in direct proportion to the supplies delivered (or services performed) and accepted by the Government and for which final prices have not been established; and

(iv) The total amount of all invoices or vouchers for supplies delivered (or services performed) and accepted by the Government (including amounts applied or to be applied to liquidate progress payments).

(2) The statement required by subparagraph (h)(1) of this section need not be submitted for any quarter for which either no costs are to be reported under subdivision (h)(1)(ii) of this section, or revised billing prices have been established in accordance with paragraph (g) of this section, and do not exceed the existing contract price, the Contractor's price-

redetermination proposal, or a price based on the most recent quarterly statement, whichever is least.

(3) Notwithstanding any provision of this contract authorizing greater payments, if on any quarterly statement the amount under subdivision (h)(1)(iv) of this section exceeds the sum due the Contractor, as computed in accordance with subdivisions (h)(1)(i), (ii), and (iii) of this section, the Contractor shall immediately refund or credit to the Government the amount of this excess. The Contractor may, when appropriate, reduce this refund or credit by the amount of any applicable tax credits due the Contractor under 26 U.S.C.1481 and by the amount of previous refunds or credits affected under this clause. If any portion of the excess has been applied to the liquidation of progress payments, then that portion may, instead of being refunded, be added to the unliquidated progress payment account, consistent with the Progress Payments clause. The Contractor shall provide complete details to support any claimed reductions in refunds.

(4) If the Contractor fails to submit the quarterly statement within 45 days after the end of each quarter and it is later determined that the Government has overpaid the Contractor, the Contractor shall repay the excess to the Government immediately. Unless repaid within 30 days after the end of the statement submittal period, the amount of the excess shall bear interest, computed from the date the quarterly statement was due to the date of repayment, at the rate established in accordance with the Interest clause.

(i) *Subcontracts*. No subcontract placed under this contract may provide for payment on a cost-plus-a-percentage-of-cost basis.

(j) *Disagreements*. If the Contractor and the Contracting Officer fail to agree upon redetermined prices for any price redetermination period within **60 days** (or within such other period as the parties agree) after the date on which the data required by paragraph (d) of this section are to be submitted, the Contracting Officer shall promptly issue a decision in accordance with the Disputes clause. For the purpose of paragraphs (f), (g), and (h) of this section, and pending final settlement of the disagreement on appeal, by failure to appeal, or by agreement, this decision shall be treated as an executed contract modification. Pending final settlement, price redetermination for subsequent periods, if any, shall continue to be negotiated as provided in this clause.

(k) *Termination*. If this contract is terminated, prices shall continue to be established in accordance with this clause for

(1) completed supplies and services accepted by the Government and

(2) those supplies and services not terminated under a partial termination. All other elements of the termination shall be resolved in accordance with other applicable clauses of this contract.

I.7.2 FAR 52.222-42: Statement of Equivalent Rates for Federal Hires (May 1989)

In compliance with the Service Contract Act of 1965, as amended, and the regulations of the Secretary of Labor (29 CFR Part 4), this clause identifies the classes of service for employees expected to be employed under the contract. This clause also states the wages and fringe benefits payable to each if they were employed by the contracting agency subject to the provisions of 5 USC 5341 or 5332.

This statement is for information only; it is not a wage determination.

EMPLOYEE CLASS MONETARY WAGE - FRINGE BENEFITS

_____
_____
_____

I.7.3 FAR 52.244-6: Subcontracts for Commercial Items and Commercial Components (October 1998)

Commercial item, as used in this clause, has the meaning contained in the clause at 52.202-1. *Subcontract*, as used in this clause, includes a transfer of commercial items between divisions, subsidiaries, or affiliates of the Contractor or subcontractor at any tier.

To the maximum extent practicable, the Contractor shall incorporate, and require its subcontractors at all tiers to incorporate, commercial items or non-developmental items as components of items to be supplied under this contract.

Notwithstanding any other clause of this contract, the Contractor is not required to include any FAR provision or clause, other than those listed below to the extent they are applicable and as may be required to establish the reasonableness of prices under Part 15, in a subcontract at any tier for commercial items or commercial components:

- 52.222-26: Equal Opportunity (EO 11246)
- 52.222-35: Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (38 USC 4212[a])
- 52.222-36: Affirmative Action for Workers with Disabilities (29 USC 793)
- 52.247-64: Preference for Privately Owned U.S.-Flagged Commercial Vessels (46 USC 1241) (flow down not required for subcontracts awarded beginning May 1, 1996).

The Contractor shall include the terms of this clause, including this paragraph, in subcontracts awarded under this contract.

SECTION J

List of Attachments

User Note: For multiple system solicitations where multiple awards are made, the appropriate J attachments will be included in the contract and the others removed prior to making an award.

User Note: Attachments J1 through J39 have been reserved for utility-specific attachments. If the solicitation has more than 39 utility systems, renumbering attachments J40, J41, and J42 will be required throughout the RFP.

TABLE J.1-1
Installation- and Utility-Specific Attachments to RFP in the Case of Multiple Contract Awards

RFP Attachment	AFB or ANGB	Utility System
J1		
J2		
J3		
J4		

User Note: Attachments J40 through J49 have been reserved for information regarding the solicitation and process.

Attachment J40 – Example of a Completed Schedule B-2

Attachment J42 – Bill of Sale

Attachment J43 – Specialty Skills Training Requirements

Attachment J44 – Legislative Authority

Attachment J51 – Metering Plan

User Note: Attachments J50 and beyond are for information pertaining to any of the utility systems. Care should be taken to list out all attachments for a single system in blocks of attachments

SECTION K

Representations, Certifications, and other Statements of Offerors

52.203-2 CERTIFICATE OF INDEPENDENT PRICE DETERMINATION (APR 1985)

(a) The offeror certifies that--

(1) The prices in this offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to (i) those prices, (ii) the intention to submit an offer, or (iii) the methods or factors used to calculate the prices offered;

(2) The prices in this offer have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and

(3) No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition.

(b) Each signature on the offer is considered to be a certification by the signatory that the signatory--

(1) Is the person in the offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above; or

(2) (i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above _____ [insert full name of person(s) in the offeror's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the offeror's organization];

(ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) above have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above; and

(iii) As an agent, has not personally participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above.

(c) If the offeror deletes or modifies subparagraph (a)(2) above, the offeror must furnish with its offer a signed statement setting forth in detail the circumstances of the disclosure.

(End of provision)

52.203-11 -- Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions. (Apr 1991)

(a) The definitions and prohibitions contained in the clause, at FAR 52.203-12, Limitation on Payments to Influence Certain Federal Transactions, included in this solicitation, are hereby incorporated by reference in paragraph (b) of this certification.

(b) The offeror, by signing its offer, hereby certifies to the best of his or her knowledge and belief that on or after December 23, 1989 --

(1) 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 any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement;
(2) If any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with this solicitation, the offeror shall complete and submit, with its offer, OMB standard form LLL, Disclosure of Lobbying Activities, to the Contracting Officer; and
(3) He or she will include the language of this certification in all subcontract awards at any tier and require that all recipients of subcontract awards in excess of $100,000 shall certify and disclose accordingly.

(c) Submission of this certification and disclosure is a prerequisite for making or entering into this contract imposed by section 1352, title 31, United States Code. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure form to be filed or amended by this provision, shall be subject to a civil penalty of not less than $10,000, and not more than $100,000, for each such failure.

(End of provision)

52.204-3 TAXPAYER IDENTIFICATION (OCT 1998)

(a) **DEFINITIONS.**

Common parent, as used in this provision, means that corporate entity that owns or controls an affiliated group of corporations that files its Federal income tax returns on a consolidated basis, and of which the offeror is a member.

Taxpayer Identification Number (TIN), as used in this provision, means the number required by the Internal Revenue Service (IRS) to be used by the offeror in reporting income tax and other returns. The TIN may be either a Social Security Number or an Employer Identification Number.

(b) All offerors must submit the information required in paragraphs (d) through (f) 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 IRS. If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the failure or refusal by the offeror to furnish the information may result in a 31 percent reduction of payments otherwise due under the contract.

(c) 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.

(d) **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.

(e) **TYPE OF ORGANIZATION.**

[ ] Sole proprietorship;
[ ] Partnership;
[ ] Corporate entity (not tax-exempt);
[ ] Corporate entity (tax-exempt);
[ ] Government entity (Federal, State, or local);
[ ] International organization per 26 CFR 1.6049-4;
[ ] Other _____.

(f) **COMMON PARENT.**

[ ] Offeror is not owned or controlled by a common parent as defined in paragraph (a) of this provision.
[ ] Name and TIN of common parent:

Name: _____

TIN: _____

(End of provision)

52.204-5 WOMEN-OWNED BUSINESS (OTHER THAN SMALL BUSINESS) (MAY 1999)

(a) **DEFINITION. Women-owned business concern**, as used in this provision, means a concern that is at least 51 percent owned by one or more women; or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and whose management and daily business operations are controlled by one or more women.

(b) **REPRESENTATION.** (Complete only if the offeror is a women-owned business concern and has not represented itself as a small business concern in paragraph (b)(1) of FAR 52.219-1, SMALL BUSINESS PROGRAM REPRESENTATIONS, of this solicitation.) The offeror represents that it [ ] is, [ ] is not a women-owned business concern.

52.209-5 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT, AND OTHER RESPONSIBILITY MATTERS (MAR 1996)

(a) (1) The offeror certifies, to the best of its knowledge and belief, that--

(i) The offeror and/or any of its principals--

(A) Are [ ], are not [ ] presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;

(B) 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

(C) Are [ ], are not [ ] presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subdivision (a)(1)(i)(B) of this provision.

(ii) The offeror has [ ], has not [ ], within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.

(2) "Principals," for the purposes of this certification, means officers, directors, owners, partners, and persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

THIS CERTIFICATION CONCERNS A MATTER WITHIN THE JURISDICTION OF AN AGENCY OF THE UNITED STATES, AND THE MAKING OF A FALSE, FICTITIOUS, OR FRAUDULENT CERTIFICATION MAY RENDER THE MAKER SUBJECT TO PROSECUTION UNDER SECTION 1001, TITLE 18, UNITED STATES CODE.

(b) The offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
(c) A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the offeror's responsibility. Failure of the offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the offeror non-responsible.
(d) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
(e) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

(End of provision)

52.219-1/I/II SMALL BUSINESS PROGRAM REPRESENTATIONS (ALTS I/II) (May 1999)

(a)

(1) The standard industrial classification (SIC) code for this acquisition is _____.

(2) The small business size standard is _____.

(3) The small business size standard for a concern that submits an offer in its own name, other than on a construction or service contract, but that proposes to furnish a product that it did not itself manufacture, is 500 employees.

(b) **REPRESENTATIONS.**

(1) The offeror represents as part of its offer that it--

[ ] is,
[ ] is not
a small business concern.

(2) **(Complete only if offeror represented itself as a small business concern in subparagraph (b)(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) **(Complete only if offeror represented itself as a small business concern in paragraph (b)(1) of this provision.)** The offeror represents as part of its offer that it--

[ ] is,
[ ] is not
a women-owned small business concern.

(4) **(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 origin from Burma, Thailand, Malaysia, Indonesia, Singapore, Brunei, Japan, China, Taiwan, Laos, Cambodia (Kampuchea), Vietnam, Korea, The Philippines, U.S. Trust Territory of 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, Kiribati, Tuvalu, or Nauru).
[ ] Subcontinent Asian (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.

(5) **(Complete only if offeror represented itself as a small business concern in paragraph (b)(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 and control, principal place of 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 complied with the requirements of 13 CFR Part 126, and the representations in paragraph (b)(4)(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 or names of the HUBZone small business concern or concerns that are participating in the joint venture:)**

_____
_____

_____
_____
_____
_____

Each HUBZone small business concern participating in the joint venture shall submit a separate signed copy of the HUBZone representation.

(c) **DEFINITIONS.**

(1) **Small business concern**, as used in this provision, 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 the size standard in paragraph (a) of this provision.

(2) **Woman-owned small business concern**, as used in this provision, means a small business concern--

(i) That 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

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

(d) **NOTICE.**

(1) If this solicitation is for supplies and has been set aside, in whole or in part, for small business concerns, then the clause in this solicitation providing notice of the set-aside contains restrictions on the source of the end items to be furnished.

(2) Under 15 U.S.C. 645(d), any person who misrepresents a firm's status as a small or small disadvantaged business concern in order to obtain a contract to be awarded under the preference programs established pursuant to sections 8(a), 8(d), 9, or 15 of the Small Business Act or any other provision of Federal law that specifically references section 8(d) for a definition of program eligibility, shall-

(i) Be punished by imposition of a fine, imprisonment, or both;

(ii) Be subject to administrative remedies, including suspension and debarment; and

(iii) Be ineligible for participation in programs conducted under the authority of the Act.

(End of provision)

52.219-22 - Small Disadvantaged Business Status (1999)

(a) General. This provision is used to assess an offeror's small disadvantaged business status for the purpose of obtaining a benefit on this solicitation. Status as a small business and status as a small disadvantaged business for general statistical purposes is covered by the provision at FAR 52.219-1, Small Business Program Representation.

(b) Representations.

(1) General. The offeror represents, as part of its offer, that it is a small business under the size standard applicable to this acquisition; and either-

___(i) It has received certification by the Small Business Administration as a small disadvantaged business concern consistent with 13 CFR 124, Subpart B; and

(A) No material change in disadvantaged ownership and control has occurred since its certification;

(B) Where the concern is owned by one or more disadvantaged individuals, the net worth of each individual upon whom the certification is based does not

exceed $750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); and

(C) It is **[identified]**, on the date of **[its]** representation, **[as a certified]**small disadvantaged business concern**[in the database]** maintained by the Small Business Administration **[(PRO-Net)]**; or

___(ii) It has submitted a completed application to the Small Business Administration or a 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.

(2) __ For Joint Ventures. The offeror represents, as part of its offer, that it is a joint venture that complies with the requirements at 13 CFR 124.1002(f) and that the representation in paragraph (b)(1) 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: _____.]

(c) Penalties and Remedies. Anyone who misrepresents any aspects of the disadvantaged status of a concern for the purposes of securing a contract or subcontract shall:

(1) Be punished by imposition of a fine, imprisonment, or both;

(2) Be subject to administrative remedies, including suspension and debarment; and

(3) Be ineligible for participation in programs conducted under the authority of the Small Business Act.

(End of provision)

52.222-21 PROHIBITION OF SEGREGATED FACILITIES (FEB 1999)

(a) *"Segregated facilities,"* as used in this clause, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex or national origin because of written or oral policies or employee custom. The term does not include separate or single-user rest rooms or necessary dressing or sleeping areas provided to assure privacy between sexes.

(b) The contractor agrees that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The Contractor agrees that a breach of this clause is a violation of the Equal Opportunity clause in the contract.

(c) The Contractor shall include this clause in every subcontract and purchase order that is subject to the Equal Opportunity clause of this contract.

(End of Provision)

52.222-22 PREVIOUS CONTRACTS AND COMPLIANCE REPORTS (FEB 1999)

The offeror represents that--

(a) It--

[ ] has

[ ] has not--

participated in a previous contract or subcontract subject to the EQUAL OPPORTUNITY clause of this solicitation;

(b) It--

[ ] has

[ ] has not--
filed all required compliance reports; and
(c) Representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.

52.222-25 AFFIRMATIVE ACTION COMPLIANCE (APR 1984)
THE FAR REPRESENTATION IN THE FOLLOWING PARAGRAPH SHALL BE COMPLETED BY EACH OFFEROR WHOSE OFFER IS $50,000 OR MORE AND WHO HAS 50 OR MORE EMPLOYEES.

This representation--
[ ] DOES APPLY.
[ ] DOES NOT APPLY.
The offeror represents that--
(a) It--
[ ] has developed and has on file
[ ] has not developed and does not have on file--
at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2); or
(b) It--
[ ] has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

(End of provision)

52.223-13 CERTIFICATION OF TOXIC CHEMICAL RELEASE REPORTING (OCT 1996)

(a) Submission of this certification is a prerequisite for making or entering into this contract imposed by Executive Order 12969, August 8, 1995.
(b) By signing this offer, the offeror certifies that—
(1) As the owner or operator of facilities that will be used in the performance of this contract that are subject to the filing and reporting requirements described in section 313 of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) (42 U.S.C.11023) and section 6607 of the Pollution Prevention Act of 1990 (PPA) (42 U.S.C.13106), the offeror will file and continue to file for such facilities for the life of the contract the Toxic Chemical Release Inventory Form (Form R) as described in sections 313(a) and (g) of EPCRA and section 6607 of PPA; or
(2) None of its owned or operated facilities to be used in the performance of this contract is subject to the Form R filing and reporting requirements because each such facility is exempt for at least one of the following reasons: [Check each block that is applicable.]
[ ] (i) The facility does not manufacture, process, or otherwise use any toxic chemicals listed under section 313(c) of EPCRA, 42 U.S.C.11023(c);
[ ] (ii) The facility does not have 10 or more full-time employees as specified in section 313(b)(1)(A) of EPCRA, 42 U.S.C.11023(b)(1)(A);
[ ] (iii) The facility does not meet the reporting thresholds of toxic chemicals established under section 313(f) of EPCRA, 42 U.S.C.11023(f) (including the alternate thresholds at 40 CFR 372.27, provided an appropriate certification form has been filed with EPA);

[ ] (iv) The facility does not fall within Standard Industrial Classification Code (SIC) designations 20 through 39 as set forth in section 19.102 of the Federal Acquisition Regulation; or
[ ] (v) The facility is not located within any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Northern Mariana Islands, or any other territory or possession over which the United States has jurisdiction.

(End of provision)

252.209-7001 DISCLOSURE OF OWNERSHIP OR CONTROL BY THE GOVERNMENT OF A TERRORIST COUNTRY (MAR 1998)

(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.

(End of provision)

252.209-7003 COMPLIANCE WITH VETERANS' EMPLOYMENT REPORTING REQUIREMENTS (MAR 1998)

By submission of its offer, the offeror represents that, if it is subject to the reporting requirements of 38 U.S.C. 4212(d) (i.e., the VETS-100 report required by Federal Acquisition Regulation clause 52.222-37, Employment Reports on Disabled Veterans and Veterans of the Vietnam Era), it has submitted the most recent report required by 38 U.S.C. 4212(d).

(End of provision)

252.247-7022 REPRESENTATION OF EXTENT OF TRANSPORTATION BY SEA (AUG 1992)

(a) The offeror shall indicate by checking the appropriate blank in paragraph (b) of this provision whether transportation of supplies by sea is anticipated under the resultant contract. The term "supplies" is defined in the TRANSPORTATION OF SUPPLIES BY SEA clause of this solicitation.

(b) **REPRESENTATIONS.**

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.

(c) 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 FAR Supplement clause at 252.247-7024, NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA.

(End of provision)

SECTION L

Instructions, Conditions, and Notices to Offerors

L.1 52.252-1: Solicitation Provisions Incorporated by Reference (IAW FAR 52.107[a])

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. The Offeror is cautioned that the listed provisions may include blocks that must be completed by the Offeror and submitted with its quotation or offer. In lieu of submitting the full text of those provisions, the Offeror may identify the provision by paragraph identifier and provide the appropriate information with its quotation or offer.

The full text of a solicitation provision may be accessed electronically at these addresses: http://farsite.hill.af.mil (all provisions) and http://www.arnet.gov/far.

The following FAR and DFAR clauses are incorporated by reference:

Paragraph	Clause Title	Date
52.204-6	Data Universal Numbering System (DUNS) Number (IAW FAR 4.603[a])	Oct 2003
52.211-14	Notice of Priority Rating for National Defense Use (IAW FAR 11.604[a]) For the purposes of this provision, the blanks are completed on the cover sheet.	Sep 1990
52.215-1	Instructions to Offerors—Competitive Acquisitions (IAW FAR 15.209[a])	Jan 2004
52.215-1	Alt I (IAW FAR 15.209[a][1])	Oct 1997
52.215-1	Alt II (IAW FAR 15.209[a][2])	Oct 1997
52.215-16	Facilities Capital Cost of Money (IAW FAR 15.408[h])	Oct 1997
52.215-20	Requirement for Cost or Pricing Data or Information other than Cost or Pricing Data (IAW FAR 15.408[l])	Oct 1997
52.215-20	Alt IV (IAW FAR 15.408[l][4])	Oct 1997
52.216-1	Type of Contract (IAW FAR 16.105) For the purposes of this provision the blank(s) are completed as follows: The Government intends to award a fixed-price with prospective price redetermination utility services type contract.	Apr 1984

Paragraph	Clause Title	Date
52.222-24	Pre-award On-Site Equal Opportunity Compliance (Evaluation) (IAW FAR 22.810[c])	Feb 1999
52.233-2	Service of Protest (IAW FAR 33.106[a])	Aug 1996
52.237-1	Site Visit (IAW FAR 37.110[a])	Apr 1984
52.252-5	Authorized Deviations in Provisions (IAW FAR 52.107[e]) (a) IAW AFFARS use in this solicitation of any federal acquisition regulation (48 CFR Chapter 1) provision with an authorized deviation is indicated by the addition of "(deviation)" after the date of the provision. (b) IAW AFFARS use in this solicitation of any defense federal acquisition regulation supplement (48 CFR Chapter 2) provision with an authorized deviation is indicated by the addition of "(deviation)" after the name of the regulation.	Apr 1984
252.204-7001	Commercial and Government Entity (CAGE) Code Reporting (IAW DFARS 204.602-70)	Aug 1999
5352.215-9001	Notice of Pre-Proposal Conference (IAW AFFARS 5315.210) (a) A pre-proposal conference will be conducted at _____ on _____at _____for the purpose of answering questions regarding this solicitation. (b) Submit the names of all attendees (not to exceed ____ attendees per company) to _____ at e-mail _____ from _____on _____. (c) Offerors are requested to submit questions to _____ at e-mail _____ no later than _____ on _____.	May 1996

L.2 Information to Offerors

L.2.1 General Information

L.2.1.1 Point of Contact

The Procuring Contracting Officer (PCO) is the sole point of contact for this acquisition. Address any and all questions or concerns in writing to the PCO:

Name:

Address:

City, State, Zip Code:

Fax no:

E-mail:

L.2.1.2 Debriefings

All Offerors may request debriefings by providing a written request to the PCO at the address located in Block 8 of SF 33 within 3 calendar days after receiving notification from the PCO of elimination from the competitive range or award of contract. To the maximum extent practicable, debriefings will be conducted within 5 days of the debriefing request.

L.2.1.3 Discrepancies

If an Offeror believes that the requirements in these instructions contain an error or omission, or are otherwise unsound, the Offeror shall immediately notify the PCO in writing with supporting rationale.

L.2.1.4 Use of Non-Government Advisors

Offerors are advised that data submitted to the Government in response to this solicitation may be released to non-government advisors for review and analysis. These advisors may be required to provide advice within their area of expertise regarding proposal strengths, weaknesses, inadequacies, risks, and deficiencies. Non-government advisors will be subject to civil and criminal penalties associated with any release of information pursuant to FAR Part 3.104 procurement integrity violations. They will not determine ratings or rankings of Offerors' proposals.

If the Offeror has any objection to non-government advisor access to their proposal information, the Offeror shall provide grounds and justification for their objections. The non-government advisors are:

Name of Company/Office

Note: The companies listed above may not assist or participate in preparation or submission of any proposal associated with this acquisition.

L.2.1.5 Site Visits

Site visits will be allowed between ____(date)_____ and ____(date)_____. Offerors may schedule site visits by contacting the PCO. The request for a site visit shall include the areas of the installation the Offeror wishes to view. Site visit requests shall be made with a minimum of 1-week advance notice.

L.2.1.6 Technical Library

A Technical Library will be available from ____(date)____ until the proposal due date for Offerors to view data that were not available in electronic format. Offerors should contact the PCO to arrange entrance into the Library.

L.2.1.7 Evidence of Responsibility

To be determined responsible, an Offeror must be, and demonstrate that it is capable of providing utility customers with service requirements substantially similar to those identified in Section C, *Description/Specifications/Work Statement*. The Offeror must demonstrate an ability to provide the required services to the Government during the entire term of the proposed contract.

L.2.1.8 Proprietary Information

Information deemed by the Offeror to be proprietary shall be clearly marked as proprietary information and, where possible, shall be separated and provided in separate sealed envelopes for each technical proposal and price/cost proposal. Proposals submitted in response to this solicitation will not be returned. The Government will destroy any extra copies under proper security procedures.

L.2.1.9 Period of Validity

The proposal shall be valid for **300 days** from the required submission date.

L.2.2 Number of Awards

There will be a single award for each utility system specified resulting from this solicitation, or for each combination of utility systems packaged in a single proposal. Therefore, the number of awards may be less than the number of systems specified.

L.3 Reserved

L.4 Proposal Preparation Instructions – General

This section provides general guidance for preparing proposals, as well as specific instructions on the format and content of the proposal. The Offeror's proposal must include all data and information requested by these instructions and must be submitted in accordance with these instructions. The Offeror shall comply with the requirements as stated in Section B, *Supplies or Services and Prices/Costs*, and Section C, *Description/Specifications/Work Statement*.

The Government will read/evaluate only the maximum number of pages allowed. Nonconformance with the specified organization, content, and page limitations may be cause for proposal rejection.

L.4.1 Proposal Organization/Page Limits

Offerors shall prepare the proposal as set forth in the table below. The titles, contents, and page limits of each volume shall be as defined in the table below. The contents of each proposal volume are described in the paragraph noted in the table.

Volume	Paragraph Number	Title	Maximum Page Limit
I		Technical Proposal (Written)	200 (per system type)
II		Past Performance	40
III		Contract Documentation	None
IV		Price Proposal	None

L.4.2 Proposal Format

The proposal shall be clear and concise, and shall include sufficient detail for effective evaluation and for substantiating the validity of stated claims. The proposal shall not simply restate or rephrase the Government's requirements, but rather provide convincing rationale to address how the Offeror intends to meet these requirements. Offerors shall assume that the Government has no prior knowledge of their facilities and experience, and will base its evaluation on the information presented in the Offerors proposal.

Each volume shall be written on a stand-alone basis so that its contents may be evaluated without cross-referencing.

Elaborate graphics, multi-media functions (for example, video clips or sound bites), or other embellishments are unnecessary and are not desired. Limit pictures in the electronic proposal to the cover page only and limit graphics to only those conveying data integral to the proposal.

L.4.3 Distribution

Offeror shall submit a hard copy of each volume (I-IV) in its own three-ring binder for a total of (4) four binders. Additional copies shall be submitted on four (4) separate CD ROM disks.

L.4.4 Electronic Media

Offeror shall submit their electronic proposals on CD ROM disks. Electronic proposal files should be no more than four megabytes (4MB) in size. Offeror's are encouraged to refrain from incorporating details graphic files (other than any plans or drawings) as they are not required or desired. Any scanned documents incorporated into an offeror's proposal shall be split into multiple files so that each individual file is no more than 4MB. If multiple files are required for a given volume, offeror's shall organze their electronic submission so that each volume is contained in a separate directory.

Offeror shall submit 4 CD ROM disks. Each CD shall contain all volumes, as four separate documents, e.g. Volume I, Volume II, etc. Offeror shall submit proposal files in the *Microsoft* Word (doc) format with a table of contents (roadmap) of the proposal structure (see paragraph below for requirements on Price Volume). The minimum requirement for hypertext link is a table of contents linked to each file provided in the proposal. Additional hypertext links within the proposal are at the Offeror's discretion.

The Price Volume shall be submitted in application-specific files developed and saved using the following versions of Microsoft software: *Word 2000*, *Excel 2000*, *PowerPoint 2000*, and *Windows 98,* or later versions. Each CD shall contain an electronic label, which is to be established on a CD when the CD is formatted. No password-protected, zipped, or self-extracting files shall be used.

Each Offeror shall provide virus-free CDs and shall certify that they are *virus free*. Be sure to identify appropriate markings such as the legend at FAR 52.215-1(e), *Restriction on Disclosure and Use of Data.*

L.4.5 Pages and Typing

Page size shall be 8½ by 11 inches (*Word for Windows* portrait format) or 11 by 8½ inches (*Word for Windows* landscape format). Landscape pages may be used only for large tables, charts, graphs, and diagrams, not for pages of text. Page size 11 by 17 inches may only be used for tables, figures/diagrams, illustration/drawings, and maps. Pages sized 11 by 17 inches will be counted as two pages.

Text shall be single-spaced, in 11-point Arial font. Arial font size of 10 point may be used for tables, captions, matrices, maps, and header and footer information. For charts, graphs, and figures/diagrams, the font shall be no smaller than 5 point. Use at least 1-inch margins on the top and bottom and 1-inch side margins. Pages will be numbered sequentially by volume. These page format restrictions shall also apply to responses to any Evaluation Notices.

Page limitations shall be treated as maximums. If exceeded, excess pages will not be read or considered in the evaluation of the proposal.

Each page shall be counted except for the following: cover pages, table of contents, cross-reference matrix, tabs, and glossaries.

L.4.6 Change Pages

The Government intends on submitting Evaluation Notices electronically. In response to the Evaluation Notices, change pages shall be submitted for the electronic copies of the proposal volumes.

In the upper right corner of each change page, include the Offeror name, exact location (volume, section, page number, etc.) within the original proposal, date of transmittal, and applicable

Evaluation Notice document control number assigned by the source-selection team. Changes shall be marked by a change bar in the margin to indicate the changed part of each page.

L.4.7 Cost or Pricing Information

Cost or pricing information should mainly be addressed in the price proposal and contract documentation volumes. Cost trade-off information, work-hour estimates, and material kinds and quantities may be used in other volumes as appropriate for presenting rationale for alternatives or design and trade-off decisions.

L.4.8 Cross-Reference Matrix

The Offeror shall provide a cross-reference matrix. The purpose of this matrix is to aid the Government's evaluation of the proposals, thereby ensuring no requirements have been overlooked. Offerors shall cross reference the offer and Section C, *Description/ Specifications / Work Statement*, to where each is addressed.

L.4.9 Glossary of Abbreviations and Acronyms

If appropriate, each volume may contain a glossary of all abbreviations and acronyms, with an explanation for each. Glossaries will not count against the page limitations for their respective volumes.

L.5 Reserved

L.6 Proposal Preparation Instructions – Volume I: Technical Proposal

The Technical Proposal Volume should be specific and complete. A separate Volume I must be submitted for each type (electric, natural gas, water, and wastewater) of utility system included in the proposal. Separate proposals are not required for like utility systems between Installations (e.g. only one Volume I is required if the Offeror is offering one type of utility system at multiple Installations). In order to evaluate the technical proposals strictly on the merits of the material submitted, no contractual price information shall be included in the technical proposals.

The technical proposal shall describe the Contractor's capability to provide the level of utility service required by this contract. It should be specific and complete in every detail. Proposals that merely offer to provide service in accordance with Section C, *Description/Specifications/ Work Statement,* will be considered technically unacceptable and will not be considered further.

The Offerors must submit a definitive proposal to achieve the end results that are set forth in the Government's requirements. The technical proposal shall be prepared to specifically address the Mission Capability subfactors.

The Mission Capability subfactors are:

1. Service Interruption/Contingency Plan
2. Quality Management Plan
3. Capital Upgrades and Renewals and Replacements Plan
4. Operational Transition Plan

5. Financial Capability
6. Small Business, Small Disadvantaged Business (SDB), Women-Owned Small Business, and Historically Black Colleges or Universities and Minority Institutions Participation (FAR 19.1202 and DFARS 215.304)

L.6.1 Subfactor 1: Service Interruption/Contingency Plan

Offeror shall submit a Service Interruption/Contingency Plan IAW Provision M.4, *Evaluation Factors and Subfactors* and sufficient to meet the applicable requirements of Section C, *Description/Specifications/Work Statement,* paragraph C.7, *Service Interruption/Contingency Plan* and C.8, *Routine, Urgent, and Emergency Repair Response*. Regulated utilities who have submitted documents similar to the requested Service Interruption/Contingency Plan to their state utility regulatory commission may submit that documentation in lieu of the specifically requested information in this section.

The Service Interruption/Contingency Plan shall describe in detail the following:

- Cause of interruption
- Detailed contingency plan of action (including Government notifications)
- Estimated time for reestablishment of temporary service
- Estimated time for reestablishment of permanent service

L.6.2 Subfactor 2: Quality Management Plan

The Contractor shall prepare and submit to the Contracting Officer a comprehensive Quality Management Plan (QMP). Regulated utilities who have submitted documents similar to the requested QMP to their state utility regulatory commission may submit that documentation in lieu of the specifically requested information in this section. The QMP shall identify the performance standards and/or specifications that the Contractor will comply with for construction, operation, maintenance, management, environmental, disaster recovery, and safety. At a minimum the QMP shall address all applicable federal, state, interstate, and local laws/regulations, the most current version of any base-specific requirements defined in the utility-specific attachments (Section J), and best engineering and management practices consistent with the following:

1. Electric distribution system(s): National Electric Safety Code (American National Standards Institute (ANSI)-C2), National Electrical Manufacturers Association (NEMA), National Electric Code (NFPA-70), and current reference materials published by the Institute of Electrical and Electronic Engineers (IEEE), the Illuminating Engineering Society (IES), and the Insulated Cable Engineers Association (ICEA).
2. Natural gas distribution system(s): Code of Federal Regulations (CFR), Title 49 Parts 190, 191, 192 and 199 and the *DOT Guidance Manual for Operators of Small Natural Gas Systems*.
3. Water distribution and wastewater collection system(s): American Water Works Association (AWWA), Water Environment Federation (WEF), American Society of Civil Engineers (ASCE), National Fire Protection Association (NFPA), and Factory Mutual Global.

The QMP shall also define, in detail, the Contractor's operations and maintenance policies and procedures that implement all defined standards. The QMP shall ensure contract requirements are met and that the system is being operated and maintained in a manner consistent with its long-

term ability to provide reliable, cost-effective, and compliant service. The Contractor shall also modify its service practices as needed to accommodate changes in legal requirements or industry standards.

Specifically, the QMP shall establish the Contractor's approach to quality service, to include, but not limited to, the following:

- Service Standards: The QMP shall define and address implementing procedures for the performance standards and/or specifications that the Contractor will comply with to meet the criteria listed in Table L-1 below. The QMP shall also address implementing procedures for the standards that are specifically defined elsewhere in the statement of work.
- Staffing Plan.
- Quality Awards and Certificates.
- A quality philosophy based on accepted management practice to facilitate continuous improvements.
- A proven system of inspections or other quality assessment procedures and techniques, procedures, and performance metrics and standards to be used to assess and improve the quality and cost of contract work by identifying, reporting, and correcting deficiencies and preventing reoccurrence.
- Environmental compliance (wastewater systems only). This plan shall clearly define all interface points and responsibilities for transferring materials from the wastewater system between the Government, Contractor, disposal facilities, and any regulatory bodies.
- For wastewater treatment systems, the QMP shall include an environmental compliance plan that defines all interface points and responsibilities for transferring (wastewater) between the Government and Contractor facilities.
- The QMP shall also address detailed plans for providing certification/upgrade and proficiency training for military personnel, if required, in accordance with Paragraph C.14.
- Specialty skills training (if required)

TABLE L-1
Service Standards Criteria

Water System	Wastewater System	Gas System	Electric System
Quality	Effluent Quality	Quality	Quality
Reliability	Reliability	Reliability	Reliability
Recurring and Preventative Maintenance	Recurring and Preventative Maintenance	Recurring and Preventative Maintenance	Recurring and Preventative Maintenance
Sampling/ Analysis	Sampling/ Analysis	(Left Blank)	Availability
Maintaining System Pressure	Permitting	Maintaining System Pressure	Voltage Regulation
Demand and Distribution Capacity	Demand and Collection Capacity	Demand and Distribution Capacity	Demand and Distribution Capacity

Water System	Wastewater System	Gas System	Electric System
Water Storage Requirements	Pre-Treatment Requirements	Relighting Appliances	Limitation of Fault Current
Fire Flow Capacity/ Duration	(Left Blank)	(Left Blank)	(Left Blank)
Corrosion Control (To Include Cathodic Protection)	Corrosion Control (To Include Cathodic Protection)	Corrosion Control	Corrosion Control
Minimization of Leaks and Losses	(Left Blank)	Cathodic Protection	Lightning Protection and Harmonics Problems
Minimization of Water Use	Minimization of Inflow and Infiltration	Minimization of Leaks and Losses	Minimization of System Losses and Power Factor Corrections
Safety of Government Personnel and Property	Safety of Government Personnel and Property	Safety of Government Personnel and Property	Safety of Government Personnel and Property
Service Connection Standards and Specifications	Service Connection Standards and Specifications	Service Connection Standards and Specifications	Service Connection Standards and Specifications
Exterior Backflow Prevention	Blockages and Cross Connections	Leak Surveys	(Left Blank)
Water and Sewer Line Separation	Water and Sewer Line Separation	(Left Blank)	Line Separation
New Construction Standards	New Construction Standards	New Construction Standards	New Construction Standards
Commissioning Standards	Commissioning Standards	Commissioning Standards	Commissioning Standards
Color Identification and Markings	Color Identification and Markings	Color Identification and Markings	Color Identification and Markings
System Inspections	System Inspections	System Inspections	System Inspections
Meter and Equipment Calibration	Meter and Equipment Calibration	Meter and Equipment Calibration	Meter and Equipment Calibration
Service Interruption Frequency	Service Interruption Frequency	Service Interruption Frequency	Service Interruption Frequency
Operating Permits	Operating Permits	Operating Permits	Operating Permits
Employee Certifications	Employee Certifications	Employee Certifications	Employee Certifications
Disaster Recovery	Disaster Recovery	Disaster Recovery	Disaster Recovery

Offeror may describe any quality awards or certifications that indicate the Offeror possesses a high-quality process for providing required services. Such awards or certifications include, for example, the Malcolm Baldridge Quality Award, other government quality awards, and private sector awards or certifications.

L.6.3 Subfactor 3: Capital Upgrades and Renewals and Replacements Plan

Offeror shall submit a Capital Upgrades and Renewals and Replacements Plan IAW Provision M.4, *Discussion of Factors and Subfactors,* and sufficient supporting information to meet the applicable requirements of Section C, *Description/Specifications/Work Statement,* paragraph C.11.2, *Capital Upgrades and Renewals and Replacements Plan* and C.13, *Transition Plan*. The Capital Upgrades and Renewals and Replacements Plan shall describe in detail the purpose, scope, and benefit of the initial capital upgrades and provide a detailed description of the Contractor's philosophy towards long-term capital renewals and upgrades. Include, as a minimum, the following:

1. Detailed description of all proposed initial capital upgrades and initial renewals and replacements to the utility system. A time phase plan for implementing proposed capital upgrades and initial renewals and replacements shall be included. (Costs associated with initial upgrades shall be included in Schedule L-3.)

2. Conceptual methodology that will be used for scheduling renewals and replacements for the duration of the contract to ensure long-term efficient level of service. (Cost associated with continuing renewals and replacements shall be included in Schedule L-2.)

3. A 50-year schedule for renewals and replacements of the major system components, given the information available in this solicitation, the technical library, and through site visits. The 50-year schedule should be presented as shown in the renewals and replacement, Schedule L-2. The Offeror shall clearly establish a direct correlation between the 50-year schedule for renewals and replacements and the annual proposed cost for continuing renewals and replacements (Schedule L-1). If the correlation includes a residual value at the end of the 50-year schedule, the Offeror shall clearly demonstrate the basis for the residual value.

4. Detailed description for adding or removing any Government-identified connection or disconnections.

5. Identification, justification, and detailed description of any Contractor-recommended additional upgrades and/or improvements to increase the efficiency of system operations.

6. As applicable, conceptual plans for, including methods for monitoring the effectiveness of, energy efficiencies and conservation upgrades for purposes as defined in paragraph C.3.4, *Energy and Water Efficiencies and Conservation*.

L.6.4 Subfactor 4: Operational Transition Plan

The Offeror shall submit an Operational Transition Plan IAW Provision M.4, *Evaluation Factors and Subfactors* and sufficient supporting information to meet the requirements of Section C, *Description/Specifications/Work Statement,* paragraph C.13, *Transition Plan*. The transition plan shall propose an adequate time-phased turnover of the facilities, equipment, permits, operation and maintenance, and other responsibilities to include any new construction, installation of meters required for utility billing, turnover of meter readings and billing responsibilities, and the process for evaluating existing employees for employment. The Contractor shall propose, in Sub-CLIN AD, the length of the transition period.

L.6.5 Subfactor 5: Financial Capability

Offeror shall submit documentation of financial capabilities IAW Provision M.4, *Evaluation Factors and Subfactors*. Financial capability shall demonstrate that the Offeror is in sound financial condition and has the ability to secure the necessary financing to meet the financial and

capital requirements of the utility system both now and in the future. At a minimum, the Offeror shall submit the following criteria for the past five years; Interest Coverage, Funds from Operation (FFO) to Interest Ratio, FFO to Total Debt Percentage, Total Debt to Total Capital Ratio (Debt Ratio), and Disaster Recovery Ratio (DRR), in order to accurately characterize the Offeror's financial condition.

L.6.6 Subfactor 6: Small Business, Small Disadvantaged Business (SDB), Women-Owned Small Business, and Historically Black Colleges or Universities and Minority Institutions Participation (FAR 19.1202 and DFARS 215.304)

All Offerors (large and small businesses) shall provide a clear, detailed, and logical plan IAW Provision M.4, *Evaluation Factors and Subfactors* which expresses definitive commitments to small businesses, SDB concerns, Women-Owned Small Business, and Historically Black Colleges or Universities and Minority Institutions in performance of the contract.

L.7 Proposal Preparation Instructions – Volume II: Past Performance

The Offeror shall submit to the Contracting Officer its past performance information (contact references per Section L, Attachment 1) on the date specified in Section A. An original and four hard copies of the offeror's past performance information shall be submitted in five individual loose-leaf binders. The Offeror shall submit the rest of its initial proposal no later than the solicitation closing date and time. For purposes of describing their past performance, regulated utilities should describe distribution projects they have constructed similar to those that will be found on the facility and describe the quality of the service they provide to their existing customers.

Offerors shall provide information about their past performance on projects of similar complexity, and the offeror's approach to accomplishing work required in the RFP. Offerors shall present the information requested in attachment 1 below as part of their proposal for both the Offeror and major (over $500,000) proposed subcontractors.

Offerors shall provide references for up to 6 of its largest customers (by demand capacity), and/or projects of similar scope. Projects cited and references should be recent (within 5 years of the date of the proposal). The references should be limited to a brief description of the services and facilities provided, together with name of client contact. Ensure referenced contact has the capability of addressing the items in the past performance questionnaire (i.e. technical, financial, regulatory, etc.). If the Offeror fails to provide valid client contacts, past performance references may not be considered. The Government may contact the offeror's references to determine customer satisfaction with various aspects of the offeror's performance. Ensure referenced client contact has the capability of addressing the items in the past performance questionnaire (i.e. technical, financial, regulatory, etc.).

Offerors shall provide a list of all system acquisitions in the last 5 years or all contracts and subcontracts currently in progress, which are of similar scope, magnitude, and complexity. Contracts listed may include those entered into by the Federal Government, agencies of state and local governments and commercial customers. Contracts listed may include those entered into by the Federal Government, agencies of state and local governments and commercial customers. The list must include, as a minimum, the following:

- Name of acquisition or project

- Brief description of contract or subcontract
- Total contract value
- Period of performance
- Principal parties involved and telephone numbers

The Offeror shall provide references for any proposed subcontractors that will be performing a significant portion of the work and for each firm participating in a joint venture or teaming arrangement.

L.8 Proposal Preparation Instructions – Volume III - Contract Documentation

L.8.1 Model Contract/Representations and Certifications

The purpose of this volume is to provide information to the Government for preparing the contract document and supporting file. The Offeror's proposal shall include a signed copy of the model contract. This includes the following:

- Completion of blocks 12-16 and signature and date for blocks 17 and 18 of the Standard Form (SF) 33. Signature by the Offeror on the SF 33 constitutes an offer that the Government may accept. The *original* copy should be clearly marked under separate cover and should be provided without any punched holes.
- Completed pricing information for Section B.
- Section K. Completion of representations, certifications, acknowledgments, and statements.

L.8.2 Exceptions to Terms and Conditions

The Government will accept alternate proposals. An example of an alternate proposal would be an instance where there is no wastewater treatment plant for sale and the Offeror submits an alternate proposal to include wastewater treatment. Another example would be an instance where a regulated public utility submits a proposal that includes the commodity as part of its proposed tariff or special contract rate. Exceptions taken to terms and conditions of the RFP shall be clearly identified. Each exception shall be specifically related to each paragraph and/or specific part of the RFP to which the exception is taken. Provide rationale in support of the exception and fully explain its impact, if any, on the performance, schedule, cost, and specific requirements of the RFP. Exceptions are not allowed to the Bill of Sale or the applicable real estate document. It is acceptable for a regulated utility to submit an offer contingent upon regulatory approval.

This information shall be provided in the format and content of the table below. Unless included in this volume, no exceptions to terms and conditions will be assumed.

RFP EXCEPTIONS

RFP Document	Paragraph/ Page	Requirement/ Portion	Rationale
SOW, RFP Model Contract, etc.	Applicable page and paragraph numbers	Identify the requirement or portion to which exception is taken	Justify why the requirement will not be met or discuss reasons why not meeting the

	Government's terms and conditions might be advantageous to the Government

L.8.3 Other Required Information

L.8.3.1 Authorized Offeror Personnel

Provide the name, title, and telephone number of the company/division point of contact regarding source-selection decisions made with respect to your proposal and who can obligate your company contractually. Also, identify those individuals authorized to negotiate with the Government.

L.8.3.2 Company/Division Street Address

Provide company/division's street address, county and facility code, size of business (large or small), and labor surplus area designation.

L.8.3.3 Subcontracting Plan (Large Businesses Only)

Each large business Offeror shall submit a Subcontracting Plan as part of their proposal submission. The plan shall be prepared IAW FAR 52-219-9. Notwithstanding any provision to the contrary, a regulated public utility with a Subcontracting Plan that has been filed with the General Services Administration (GSA) pursuant to a GSA Areawide contract may comply with this proposal instruction requirement by incorporating such Subcontracting Plan by reference.

L.9 Proposal Preparation Instructions – Volume IV: Price Proposal

L.9.1 Submission of Certified Cost or Pricing Data

It is anticipated that pricing will be based on adequate price competition. Therefore, Offerors are not required to submit certified cost or pricing data. However, if after receipt of proposals it is determined that adequate price competition does not exist, cost or pricing data (see FAR 15.406-2, *Certificate of Current Cost or Pricing Data*) shall be required.

If it is determined that adequate price competition does not exist, the Offeror shall provide current, complete, and accurate cost or pricing data within 30 calendar days after receipt of the Contracting Officer's request.

L.9.2 General

The solicitation and any resulting contract will be for a period of 50 years, commencing with the date of award, unless the Government terminates said contract. If the Government terminates the contract, whether for convenience or default, the appropriate FAR termination clause will apply.

The Offeror must submit a separate schedule B-2 or B-3 for each utility system included in the proposal. This includes a separate schedule B-2 or B-3 for like utility systems at separate Installations.

On offers for multiple systems, all costs, including fixed costs that apply to all systems in the proposal, must be allocated in a fair and reasonable manner to allow the Government to conduct the economic comparison of each individual system required by 10 USC § 2688.

These instructions are to assist you in submitting information other than cost or pricing data that is required to evaluate the reasonableness, realism, and completeness of your proposed Price. Compliance with these instructions is mandatory and failure to comply may result in rejection of your proposal. Offers should be sufficiently detailed to demonstrate their cost credibility. The burden of proof for cost credibility rests with the Offeror.

L.9.3 Estimating Techniques and Methods

When responding to the Price Volume requirements in the RFP, the Offeror and its associated subcontractors may use any generally accepted estimating techniques, including contemporary estimating methods.

L.9.4 Accounting Systems

The Contractor shall describe the proposed accounting system for this contract. The accounting system shall be in compliance with paragraph G.4, *Accounting Procedures.*

L.9.5 Organization

Volume IV shall consist of the following sections:

- Table of Contents
- Section 1: Schedule B-2
- Section 2: Cost Proposal, Introduction, and Pricing Assumptions; and Schedules L-1, L-2, and L-3
- Section 3: General Estimating Methodology
- Section 4: Cost Risk Assessment

L.9.6 Detailed Instructions for Price Proposal

Table of Contents

The Price volume shall be prefaced by a Table of Contents and shall specify, by page number, the location of information requested in these instructions.

L.9.6.1 Schedule B-2 and B-3 Instructions

Include a completed copy of the RFP Schedule B-2 or B-3, Utility Service Payment by the Government. To meet the legislative authority allowing for privatization of DoD utility systems, the Government will use the Sub-CLIN data in Schedule B-2 or B-3 to develop a projected 50-year cash flow. The projected 50-year cash flow will be prepared based on total annual data provided in Sub-CLINs AA through AD. The present value of the projected cash flow will be calculated and compared to the Government's present value estimate for a 50-year cash flow for Government ownership and operations. Present values will be calculated at the discount rate specified in Appendix C of OMB Circular A-94 that is current at the time proposals requested herein are due.

Sub-CLIN AA – Monthly Credit as Payment for Purchase Price: The dollar amount shown in Sub-CLIN AA is a credit to the Government in lieu of an up-front payment for the purchase of the utility system. Monthly amortization values will be calculated for the time period and at the annual interest rate proposed by the Offeror. The monthly rate will be extended by 12 months to

reach the annual cost. After the time period proposed by the Offeror expires, this portion of the monthly fixed rate will be removed from the cash-flow projection. The dollar amount shown in this Sub-CLIN is the net difference between the payment for the system and the proposed recovery of a portion of the purchase price paid for the utility system.

Sub-CLIN AB – Fixed Monthly Charge to Operate and Maintain the Utility System and for Continuing Renewals and Replacements for Electric, Natural Gas, Water, and Wastewater Utility Systems or Applicable Tariff(s) or Special Contract Rate(s) filed with and under the jurisdiction of the State Public Utility Commission: The dollar amount shown in Sub-CLIN AB is payment for the recovery of costs for system operation and maintenance (O&M), payment for continuing renewals and replacements, as well as any and all administrative and general costs. This may include, but is not limited to, the cost for all day-to-day O&M, scheduled preventive and predictive maintenance, maintenance office expenses, and general and administrative costs. Typical cost categories might include, but are not limited to, all labor (direct and indirect), materials and procurement costs, insurance, equipment, general and administrative, and overheads, etc.

The dollar amount should be calculated by taking into consideration the condition and future replacement needs of all system capital assets. The proposed charge for this Sub-CLIN should be made based on an assumption that average price levels during the first two years of operation will continue for the remaining 48 years of the 50-year contract. That is, no price inflation should be assumed beyond the average price levels in the first and second year of the contract. The dollar amount shown shall be a monthly dollar value that when combined over the life of the system results in the complete recovery of investments for continuously renewing and replacing system assets as they fail or reach the end of their useful life. This Sub-CLIN shall not include any Initial Capital Upgrades included under Schedule B-2, Sub-CLIN AC. During any price redetermination, as defined in paragraph B.6, *Type of Contract – Fixed Price with Prospective Price Redetermination*, the Contractor shall be required to justify changes from the baseline schedule for renewals and replacements. The baseline schedule is established as initially submitted in the Contractor's proposal in accordance with paragraph M.4.2.3, *Capital Upgrades and Renewals and Replacements Plan.* The baseline schedule will be updated concurrent to the acceptance of any price redetermination.

The monthly rate will be extended by 12 months to reach the annual cost. The annual cost will be included in each year of the cash-flow projection.

Sub-CLIN AC – Initial Capital Upgrades: Amortization of the initial upgrades calculated as a portion of the fixed monthly payment. The monthly amortization value will be calculated for the time period and at the annual interest rate proposed by the Offeror, and may reflect principal and interest. After the time period proposed by the Offeror expires and the cost of the initial improvements is completely recovered, this portion of the monthly fixed rate will be removed from the cash-flow projection. For the purpose of developing a projected cash flow, initial upgrades proposed by the Offeror IAW paragraph C.13.4.3, System Upgrades, shall be clearly distinguishable from one another. Independent cash flows will be established for each proposed upgrade based on the amortization period and interest rate proposed.

If upgrades are proposed, and the Government deems the projects are necessary, the Government will appropriately handle the cost of the upgrade, in the economic analysis, such that it does not influence the economics of the Offeror proposal.

Sub-CLIN AD: Transition Period: A Firm Fixed Price shall be entered on Sub-CLIN AD. Transition costs are defined as all costs expended pursuant to assuming responsibility for each function/area of this contract during the transition period from the date of Contract Award up to 12:01 a.m. on contract start date. The Contractor shall propose, in Sub-CLIN AD, the length of the transition period. Transition costs will only cover the period proposed prior to contract start date and time.

L.9.6.2 Cost Proposal, Introduction, and Pricing Assumptions

Discuss the pricing methodology used to develop offered prices. The discussion of pricing methodology must explicitly show the offeror's calculation of each Sub-CLIN. Assumptions regarding price inflation in the first two years of operation and their effect on cost of service for each Sub-CLIN must be explicitly described. All assumptions, scope limitations, and/or qualifications of the price proposal shall be addressed and explained for each Sub-CLIN.

The Offeror shall provide the breakdown of their proposed Fixed Monthly Charge proposed in Schedule B-2. In particular the Offeror shall differentiate between the operation and maintenance costs and renewals and replacements. This information shall be provided in a separate Schedule L-1 for each utility system included in the proposal.

Schedule L-1 – Calculation of Fixed Monthly Charge

Component	Monthly Charge	Annual Charge
1. Operations and Maintenance (O&M)		
2. Renewals and Replacements (R&R)		
Total Fixed Monthly Charge (to be entered in Sub-CLIN AB)		
3. U.S. Federal Taxes included in the Total Fixed Monthly Charge		

Operations and Maintenance

Operations and maintenance costs are those costs associated with the day-to-day operation of the utility system and scheduled preventative and predictive maintenance. Typical cost categories might include, but are not limited to, all labor (direct and indirect), materials and procurement costs, insurance, equipment, general and administrative, and overhead costs.

Renewals and Replacements

To calculate the renewals and replacements the Offeror shall establish a 50-year schedule for renewals and replacements of major system components given the information available in this solicitation, technical library, through site visits, and other pertinent information. The 50-year schedule for renewals and replacements shall be established as shown in Schedule L-2. A separate schedule L-2 shall be provided for each utility system included in the proposal. The Offeror shall clearly establish a direct correlation between the 50-year schedule for renewals and replacements and the renewals and replacements component of the Fixed Monthly Charge presented in Schedule L-1. If the correlation includes a residual value at the end of the 50-year schedule, the Offeror shall clearly demonstrate the basis for the residual value.

The offeror shall identify the total U.S. Federal Taxes included in the Total Fixed Monthly Charge. This amount will be subtracted from the Total Fixed Monthly Charge in the economic

analysis performed by the government to determine if the 50 year net present value of the Offeror's proposal is less than the government's 50 year net present value.

SCHEDULE L-2
RENEWALS AND REPLACEMENTS SCHEDULE
50-Year Schedule

Year	Dollar Amount	Description of Renewal or Replacement
2003		
2004		
2005		
200X		
200X+1		
2050		
2051		
2052		

Initial Capital Upgrades

The Offeror shall provide cost and federal tax information for initial capital upgrades listed in the Capital Upgrades and Renewals and Replacements Plan provided in their proposal in accordance with C.11.2*, Capital Upgrades and Renewals and Replacements Plan.* Information to support the price proposed for initial capital upgrades shall include total upgrade price, estimated completion date, number of months the price will be amortized, the interest rate proposed by the Offeror, and amount of the monthly charge for federal taxes. This information should be provided in Schedule L-3. A separate Schedule L-3 shall be provided for each utility system included in the proposal.

Schedule L-3 - Initial Capital Upgrades

Component Name	Component Cost	Interest Rate	First Full Month Project Will Be in Service	# of Months to Amortize Component	Monthly Charge	US Federal Taxes included in Monthly Charge
1. Initial Capital Upgrades						
Project 1						
Project 2						
TOTAL Capital Upgrades						
2. Contribution in Aid of Construction (CIAC) Taxes		N/A	N/A	N/A	N/A	N/A

USER NOTE: Do not put projects from Section J (deficiencies) in Schedule L-3. Leave this to bidders

L.9.6.3 General Estimating Methodology

Summarize your standard estimating system or method as it pertains to this acquisition.

The Government is asking for *prime contractor* fully loaded rates (subcontracts have been removed). However, in the event that the Offeror has an official teaming arrangement or interdivisional effort, the proposed rates shall reflect that.

For unregulated companies: State whether or not your Disclosure Statement has been determined adequate by the cognizant Government ACO. If determined adequate, provide date of approval. Identify any outstanding Cost Accounting Standards (CAS) violations; provide status/action being taken. If exempted from submitting a CAS Disclosure Statement so state, and identify the reason for the exemption.

L.9.6.4 Cost Risk Assessment

Submit a risk analysis that identifies cost risk areas and the recommended management approach to mitigating/controlling the impact of those cost risks on the overall success of the program. Offerors shall discuss and quantify to the extent practicable other possible long-term costs and benefits to the Government if the privatization affects separate contract relationships, particularly for commodities. To the extent long-term costs and benefits require the cooperation of a third party, the offeror shall provide assurances that such cooperation shall be forthcoming. Use the sample format below:

Cost Risk Area	Mitigation
Explain the risk element	Explain plans to mitigate

L.9.6.5 Monthly Credit to the Government for Delayed Response Times

The Contractor shall propose a credit to the Government for nonperformance of contract requirements and standards. This credit will be proposed as a dollar rate per hour for each hour exceeding the response time requirements for Routine, Urgent, and Emergency Repair response, indicated in the utility-specific Attachment Jx.3. Monthly credits for delayed responses will not be included in the cash-flow projection.

Contractor's Proposal for:	Rate Proposed
Monthly Credit to the Government for Delayed Response Times	$_____ per hour

ATTACHMENT 1: PAST PERFORMANCE INFORMATION

Provide the information requested in this form for each program being described. Provide frank, concise comments regarding your performance on the contracts you identify.

A. OFFEROR NAME (COMPANY/DIVISION) AND LOCATION (CITY/STATE):

(NOTE: IF THE COMPANY OR DIVISION PERFORMING THIS EFFORT IS DIFFERENT THAN THE OFFEROR, OR THE RELEVANCE OF THIS EFFORT TO THE ACQUISITION IS IMPACTED BY ANY COMPANY/CORPORATE ORGANIZATIONAL CHANGE, NOTE THOSE DIFFERENCES/CHANGES AND EXPLAIN WHY THE PAST PERFORMANCE SHOULD BE ATTRIBUTED TO THE OFFEROR REFER TO THE "ORGANIZATIONAL STRUCTURE CHANGE HISTORY" YOU PROVIDED AS PART OF YOUR RELEVANT PRESENT AND PAST PERFORMANCE VOLUME.)

B. PROGRAM TITLE:

C. CONTRACT SPECIFICS:

1. Contract Number _____

2. Contract Type _____

3. Period of Performance _____

4. Original Contract $ Value _____

5. Current Contract $ Value _____

If Amounts for 4 and 5 above are different, provide a brief description of the reasons for the difference

D. BRIEF DESCRIPTION OF EFFORT AS __PRIME OR __SUBCONTRACTOR.

(Please highlight portions considered most relevant to current acquisition)

E. COMPLETION DATE:

1. Original Contractual Date: _____

2. Current Schedule: _____

3. Estimated Date of Completion: _____

4. How Many Times Changed: _____

5. Primary Causes of Change: _____

F. PRIMARY GOVERNMENT OR EQUIVALENT POINTS OF CONTACT:

(Please provide current information on all individuals)

1. Program Manager: Name: _____

Office _____

Address _____

_____

Telephone _____

E-mail _____

Fax _____

2. PCO: Name: _____

Office _____

Address _____

_____

Telephone _____

E-mail _____

	Fax	_____
3. ACO:	**Name:**	_____
	Office	_____
	Address	_____
		_____
	Telephone	_____
	E-mail	_____
	Fax	_____
4. COR:	**Name:**	_____
(Contracting Officer Rep)		
	Office	_____
	Address	_____
		_____
	Telephone	_____
	E-mail	_____
	Fax	_____

G. ADDRESS ANY TECHNICAL (OR OTHER) AREA ABOUT THIS PROGRAM CONSIDERED UNIQUE.

H. SPECIFY BY NAME ANY KEY INDIVIDUAL(S) WHO PARTICIPATED IN THIS PROGRAM AND IS/ARE PROPOSED TO SUPPORT THE INSTANT ACQUISITION. ALSO, INDICATE THEIR CONTRACTUAL ROLES FOR BOTH ACQUISITIONS.

I. ADDRESS PROBLEMS ENCOUNTERED ON THIS CONTRACT AND YOUR SOLUTIONS TO THOSE PROBLEMS.

J. IDENTIFY IF A SMALL BUSINESS OR DISADVANTAGED BUSINESS PLAN OR GOAL WAS REQUIRED. IF SO, IDENTIFY IN TERMS OF A PERCENTAGE OF THE PLANNED VERSUS ACHIEVED GOAL DURING THE CONTRACT. IF GOALS WERE NOT MET. PLEASE EXPLAIN.

K. DESCRIBE/DISCUSS THE RELEVANCY OF THE SERVICES YOU PROVIDED ON YOUR REFERENCED CONTRACT TO THESE QUESTIONS AS THEY MAY PERTAIN TO THE SPECIFIC UTILITY.

General

1. Indicate (yes or no) if you owned, operated, maintained the system for the referenced customer. Indicate if the systems were located on the customer's site.

	OWN	OPERATE	MAINTAIN	ON SITE

Sewer Lines				
Pump Stations				
WTP				
IWTP				
Electrical Distribution System				
Water Lines				
Gas Distribution System				

Wastewater System

1. What is the average daily flow (gallons per day) processed for the referenced customer?

2. What is the dollar value of the capitol improvements made to the portion of the system used to provide service to the referenced customer for the total period of time service has been rendered?

Time _____ (yrs) $_____

3. On an annual basis what percent of the average daily flow is due to Inflow/Outflow for the reference customer? _____ (%)

4. Have capital improvements been completed that directly or indirectly reduced the amount of Inflow/Infiltration for the system serving the referenced customer?

Capital Improvements _____ ($) % reduction in Inflow/Infiltration _____(%)

Water System

1. Quantity of w/ww service provided to the customer?

2. Who owns the treatment plant, distribution/collection system?

Electrical System

1. How much power or energy do you provide the customer? Please answer in term of kilowatts, megawatts or kW hours, Mw hours. Are there demand charges? How many buildings are served?

2. Do you own, operate and maintain the substations, transformers, switchgear and distribution system? If not please describe; i.e. own but subcontract operation and maintenance; do not own but manage operation and maintenance; operate the overhead distribution system but not the substations, transformers, and switchgear etc.

3. How much of the distribution system do you own/operate? (Approximate length.) Do you serve other customers?

SECTION M

Evaluation Factors for Award

M.1 Introduction

This section outlines factors and subfactors the Government will consider in evaluating offerors' proposals submitted in response to the solicitation for the privatization of utility systems at _____ AFB.

The evaluation factors are intended to cover the scope of the evaluation to be performed on proposals submitted in response to the Request for Proposal (RFP). Section L*, Instructions, Conditions, and Notices to Offeror's* of this RFP, defines the submission requirements from each Offeror for this evaluation. Section C, *Descriptions/Specifications/Work Statement*, of this RFP, provides details regarding specific utility systems at the installation.

M.2 Reserved

M.3 Basis for Contract Award

M.3.1 Procedure

The Air Force will use Median Source Selection Procedures under AFFARS Part 5315 to select the successful offeror(s)(see http://farsite.hill.af.mil).

A detailed evaluation will be performed on each proposal submitted. The award will be based on an integrated assessment of the criteria set forth below to determine the proposal most advantageous to the Government. The lowest priced proposal may not necessarily receive the award; likewise, the highest rated technical proposal may not necessarily receive the award. Final selection of an offeror will be based on the proposal determined to provide the greatest value to the Government based on the integrated assessment of Mission Capability, Past Performance, Proposal Risk, and Price Factors.technical, management, and cost/financial capabilities necessary to fulfill the requirements of the contract. An award may only be made if (1) the long-term economic benefit of the conveyance to the United States exceeds the long-term economic cost of the conveyance to the United States, and (2) the conveyance will reduce the long-term costs of the United States for utility services provided by the utility system concerned. These two criteria must be met for the utility system or no award will be made for that utility distribution system. In addition, the Government must be confident that any otherwise qualified award will also result in adequate long-term performance by the contractor or the Government may choose to make no award at all.

M.3.1.1 Process

The process for this source selection will be as follows: Initial proposals will be evaluated in accordance with Section L procedures and Section M criteria. Upon completion of discussions and receipt of final proposal revisions, proposals that are above the adjusted status quo cost will be eliminated from the competition. An integrated best value determination will be made among

the remaining proposals that are below the adjusted status quo cost. The government reserves the right to not make an award.

M.3.2 Contract Award

Subject to paragraph M.3.1, *Procedure*, a contract will be awarded to the Offeror who is deemed responsible in accordance with FAR 9.1, whose proposal conforms to the solicitation requirements, such as terms and conditions (see L.8.2), representations and certifications, and technical requirements and is judged to represent the best value to the Government. 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 Capabilty, Past Performance, Proposal Risk, and Price Factors.

The evaluation factors provide the baseline or required minimums (thresholds) for performance but not any desirables (objectives). Any features that enhance performance shall be considered in the best value determination. Subjective judgment on the part of the Government is implicit in the source-selection process. The Government shall also consider how well the Offeror complies with Section L instructions when evaluating an Offeror's capability. For a proposal to result in an awardable contract, the proposal shall meet all technical requirements and conform to all required terms and conditions, to include all required certifications, and meets the requirements of 10 USC § 2688.

M.3.3 Criteria for Conveyance

In accordance with 10 USC § 2688, authority to privatize a utility system is subject to the action being in the long-term economic interest of the Government, as noted in paragraph M.3.1, *Procedure*. For the purposes of satisfying this requirement, Offeror's price proposal for the purchase of the system and proposed cost of utility service (Schedule B-2) must provide the Government with greater economics. Economics will be determined over a life-cycle cost analysis term of 50 years. In order to satisfy the statute, the net present value of private ownership costs must be less than the cost of continued Government ownership. The private ownership costs will be determined as defined in provision L.9.6, *Detailed Instructions for Price Proposal.* Offerors who do not meet the economic criteria after negotiations may not be considered further.

M.4 Evaluation Factors and Subfactors

The four evaluation factors are Mission Capability, Past Performance, Proposal Risk, and Price. The evaluation factors and subfactors are as follows:

- Factor 1: Mission Capability
  - Subfactor 1: Service Interruption/Contingency Plan
  - Subfactor 2: Quality Management Plan
  - Subfactor 3: Capital Upgrades and Renewals and Replacements Plan
  - Subfactor 4: Operational Transition Plan
  - Subfactor 5: Financial Capability
  - Subfactor 6: Small Business, Small Disadvantaged Business (SDB), Women-Owned Small Business, and Historically Black Colleges or Universities and Minority Institutions Participation (FAR 19.1202 and DFARS 215.304**)**
- Factor 2: Past Performance

- Factor 3: Proposal Risk
  - Subfactors Identical to Factor 1
- Factor 4: Price

M.4.1 Order of Importance for Evaluating Factors and Subfactors:

Mission Capability, Past Performance, and Proposal Risk are of equal importance and, when combined, are significantly more important than Price. Also, Price is equal to each of the factors when compared individually.

Mission Capability and Proposal Risk will be evaluated at the subfactor level. Under Mission Capability and Proposal Risk, Subfactors 1 and 2 are the most important and of equal importance. Subfactors 3, 4, and 5 are of equal importance but less important than Subfactors 1 and 2. Subfactor 6 is the least important of all the subfactors.

M.4.2 Mission Capability

The Mission Capability subfactors will each be assigned a color and proposal risk rating (as described in paragraph M.4.2.7 and paragraph M.4.4.1 below). The following are the subfactors:

M.4.2.1 Subfactor 1: Service Interruption/Contingency Plan

Offerors will be evaluated on their proposed Service Interruption/Contingency Plan IAW Section C, *Description/Specifications/Work Statement,* paragraph C.7*, Service Interruption/Contingency Plan,* the applicable requirements of paragraph C.8, *Routine, Urgent, and Emergency Repair Response,* and the following.

The plan will be evaluated on the adequacy of both of the following:

1. Proposed emergency, urgent, and routine response procedures
2. Proposed procedures to deal with contingencies such as but not limited to:
   - Acts of God
   - Natural disasters
   - Equipment failure
   - Employee strikes
   - Default/bankruptcy
   - Cease-and-desist NOVs issued by a regulatory agency

To meet the minimum requirements of this subfactor, the proposed plan must ensure adequate means for responding within the time constraints established in paragraph C.8, *Routine, Urgent, and Emergency Repair Response*.

M.4.2.2 Subfactor 2: Quality Management Plan

Offeror's proposed Quality Management Plan will be evaluated to assess the following:

1. How well the Offeror describes the implementation procedures to meet their proposed performance standards and/or specifications.
2. How well the Offeror demonstrates policies and procedures for operation and maintenance of the system.

3. Receipt of widely recognized quality awards or certifications.
4. Demonstration of the Offeror's Quality Philosophy to include a clear process for obtaining customer feedback and the ability to translate that feedback to appropriate process improvements.
5. Proposed Staffing Plan, which clearly defines the qualifications of each staff position for the operation of the utility system. The staffing plan shall also identify training and certifications required for each staff position and the Contractor's approach to ensuring personnel are current in training and certifications.
6. Proposed system of performance metrics, inspections, and record keeping.
7. Ability of the offeror to provide a comprehensive Environmental Compliance Plan (only applicable to wastewater systems) from waste generation through waste discharge or disposal.
8. Proposed plans for providing certification/upgrade and proficiency training for military personnel, if required, in accordance with Paragraph C.14.

To meet the minimum requirement of this subfactor, the Offeror must define appropriate standards and/or specifications for day-to-day operations and maintenance, proposes a formal program that makes quality an integral part of daily work, establishes a process to use performance metrics for continuous improvement, and, as applicable for wastewater systems, defines procedures for environmental compliance.

M.4.2.3 Subfactor 3: Capital Upgrades and Renewals and Replacements Plan

The adequacy of offerors' proposed Capital Upgrades and Renewals and Replacements Plan will be evaluated to assess how well it satisfies applicable provisions of Section C, *Description / Specifications/ Work Statement,* paragraph C.11.2, *Capital Upgrades and Renewals and Replacements Plan* and C.13, *Transition Plan.* The plan will be evaluated for the proposed means and methods for ensuring a long-term efficient system.

M.4.2.4 Subfactor 4: Operational Transition Plan

Offerors shall be evaluated for their proposed Operational Transition Plan, IAW Section C, *Description/Specifications/Work Statement,* paragraph C.13, *Transition Plan*. The plan will be evaluated for adequacy in maintaining the continuous utility service and minimizing service impacts, while effectively transferring responsibility and accountability for utility system capital assets, permits, personnel resources, administration, and other system responsibilities, and for consideration of existing employees for hire. The operational transition plan should demonstrate a time phased process for:

1. Transition of system operations including procedures for operation and maintenance during the transition.
2. The Offeror's plans for onsite familiarization.
3. Time phase plan for implementing new connections and new meter requirements.
4. The Offeror's approach and time schedule for obtaining any required operating permits.
5. The Offeror's approach for inventory and logistics of transfer of utility system assets (fixed and non-fixed), manuals, and records.

M.4.2.5 Subfactor 5: Financial Capability

Offerors shall describe in detail their capability to finance the utility system purchase price, CIAC tax payment and capitalization principal, renewals and replacements, and upgrades. At a minimum, the Offeror shall submit the following criteria for the past five years: Interest Coverage, Funds from Operation (FFO) to Interest Ratio, FFO to Total Debt Percentage, Total Debt to Total Capital Ratio (Debt Ratio), and Disaster Recovery Ratio (DRR), in order to accurately characterize the Offeror's financial condition. Failure to supply this information is sufficient to disqualify a proposal from further consideration.

The Offeror's financial capability will be evaluated for stability and adequacy to meet the long-term capital and cash needs to own, operate, and maintain the utility system(s). This is to be reflected in documented evidence that the Offeror is in sound financial condition and has the ability to secure the necessary financing to meet the financial and capital requirements needs of the utility system both now and in the future.

M.4.2.6 Subfactor 6: Small Business, Small Disadvantaged Business (SDB), Women-Owned Small Business, and Historically Black Colleges or Universities and Minority Institutions Participation (FAR 19.1202 and DFARS 215.304)

The Offeror will be evaluated to determine the extent of participation of Small Businesses, SDB concerns, Women-Owned Small Businesses, and Historically Black Colleges or Universities and Minority Institutions in performance of the contract based on the following:

1. The extent to which such concerns are specifically identified
2. The extent of commitment to use such concerns (enforceable commitments will be weighted more heavily than non-enforceable ones.)
3. The complexity and variety of the work such concerns are to perform
4. The realism of the proposal
5. Past performance of Offerors in complying with requirements of the clauses at FAR 52.219-8, Utilization of Small, Small Disadvantaged and Women-Owned Small Business Concerns, and 52.219-9, Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan
6. The extent of participation of these concerns in terms of the value of the total acquisition.

A regulated public utility offeror with a Subcontracting Plan that has been filed with the General Services Administration (GSA) pursuant to a GSA Areawide contract will be evaluated on the overall reasonableness of the plan's goals.

M.4.2.7 Mission Capability Ratings

Offerors' proposals will be evaluated based upon the above Mission Capability-specific subfactors. Mission Capability subfactors will be assigned one of the following color evaluation ratings. The color/adjectival rating depicts how well the Offeror's proposal meets the evaluation subfactors and solicitation requirements.

Color	Rating	Definition
Blue	Exceptional	Exceeds specified minimum performance or capability requirements in a way beneficial to the Government

Color	Rating	Definition
Green	Acceptable	Meets specified minimum performance or capability requirements necessary for acceptable contract performance
Yellow	Marginal	Does not clearly meet some specified minimum performance or capability requirements necessary for acceptable contract performance, but any proposal inadequacies are correctable
Red	Unacceptable	Fails to meet specified minimum performance or capability requirements. Proposal with an unacceptable rating are not awardable

M.4.3 Past Performance

This factor will be evaluated as a measure of the Government's confidence in the Offeror's ability to successfully perform based on current and previous (within the past 5 years) contract efforts. In assessing past performance, the Government will use past performance data to evaluate the Offeror's ability to perform the contract based on the Mission Capability subfactors. The recentness and relevancy of the past performance will be critical in determining the overall performance rating.

In determining relevancy of a proposed contract, the Government will consider the experience in owning and/or operating and/or maintaining utility systems of similar size and complexity as the DoD systems included in this RFP as proposed on by the Offeror. In evaluating this factor, the Government will use the present and past performance information gathered from offeror-provided references (Section L, Attachment 1).

An Offeror with no relevant past performance history may receive a rating of neutral/unknown confidence. However, a higher-than-neutral rating may be achieved if the Offeror proposes management personnel who have a successful record of performance on relevant and recent contracts, or if a proposed subcontractor (who will be performing a significant portion of the work) has a "very good" or better performance history on relevant and recent contracts.

In addition, the Government may use information gained from other sources known to the Government to evaluate past performance, provided such information is recent (within the past 5 years).

The confidence assessment represents the Government evaluation team's judgment of the probability of an Offeror successfully accomplishing the proposed effort based on the Offeror's demonstrated present and past performance. Past performance will receive an overall factor rating.

M.4.3.1 Past Performance Ratings

Each proposal will be assigned a rating based on the following definitions:

Rating	Definition
Exceptional/High Confidence	Based on the Offeror's performance record, essentially no doubt exists that the Offeror will successfully perform the required effort.
Very Good/Significant Confidence	Based on the Offeror's performance record, little doubt exists that the Offeror will successfully perform the required effort.
Satisfactory/Confidence	Based on the Offeror's performance record, some doubt exists that the Offeror will successfully perform the required effort.
Neutral/Unknown Confidence	No performance record identifiable (see FAR15.305[a][2][iii] and [iv]).

Marginal/Little Confidence	Based on the Offeror's performance record, substantial doubt exists that the Offeror will successfully perform the required effort. Changes to the Offeror's existing processes may be necessary to achieve contract requirements.
Unsatisfactory/No Confidence	Based on the Offeror's performance record, extreme doubt exists that the Offeror will successfully perform the required effort.

M.4.4 Proposal Risk

This factor focuses on the risks, weaknesses, and strengths associated with an Offeror's approach and experience. Proposal risk will be assessed at the Mission Capability subfactor level.

Proposal risk represents the risks that are identified with an Offeror's proposed approach and experience as it relates to accomplishing the requirements of the solicitation.

M.4.4.1 Proposal Risk Ratings

Each subfactor under Mission Capability will be assigned one of the following proposal risk ratings:

Rating	Definition
High Risk	Likely to cause significant disruption of schedule, increased cost, or degradation of performance. Risk may be unacceptable even with special Contractor emphasis and close Government monitoring.
Moderate Risk	Can potentially cause some disruption of schedule, increased cost, or degradation of performance. However, special Contractor emphasis and close Government monitoring will probably be able to overcome difficulties.
Low Risk	Has little potential to cause disruption of schedule, increased cost, or degradation of performance. Normal Contractor effort and normal Government monitoring will probably be able to overcome difficulties.

M.4.5 Socioeconomic Plan

The Socioeconomic Plan will be evaluated based on the extent to which an Offeror's proposal demonstrates the commitment to use, in performance of the offered requirements, Small Businesses, Historically Black Colleges/Universities or Minority Institutions (HBCUs/MIs), and/or HUBZone Small business concerns.

M.4.6 Price

The total evaluated price will not be rated or scored, but will be a consideration in the final source selection decision. The total evaluated price (Schedules B-2) will be the net present value of the stream of monthly payments the Government is expected to make to the Contractor over the 50-year contract period. Each monthly payment will be calculated by crediting the total monthly payment (the Fixed Monthly Charge including applicable capital upgrades and initial renewals and replacements and the recoverable portion of the purchase price expressed in Schedule B-2) by the extended purchase price in Sub-CLIN AA. Present values will be calculated using the discount rate specified in Appendix C of OMB Circular A-94 (current issue at the time proposals are due). The price proposal shall comply with the provision L.9.6, *Detailed Instructions for Price Proposal*.

M.4.6.1 Cost Realism

The price factor will be evaluated for reasonableness and realism in accordance with FAR Part 15. Realism will be based on an evaluation of the cost information provided in support of the offered price to determine if the costs reflect a clear understanding of the requirements; are consistent with the various elements of the offer's technical proposal; are not unbalanced; and are neither excessive nor insufficient for the effort to be accomplished. Reasonableness will be determined based on prices submitted by the competition, current market conditions, and comparison to the estimate of the cost of Government ownership, as appropriate.

M.4.6.2 Accounting System

The Offeror's proposed accounting system will be evaluated for acceptability.

M.4.6.3 Comparison of Offered Prices with the Government Estimate

In accordance with 10 USC 2688, authority to privatize a utility system is subject to the action being in the long-term economic interest of the Government. Further, the authority requires that the action reduce the long-term cost to the Government. To determine whether that criteria is met, the Government will use the CLIN data in Schedule B-2 or B-3 and information provided in the price proposal, per section L.9, to develop a projected 50-year cash flow associated with the Offeror's proposal.

The Government will prepare a cash flow projection of its net costs under two scenarios: 1.) continuation of the status quo and 2.) privatized service provided under the prices submitted in Sections B and Section L. In preparing these cash flow projections, it will be assumed that the Air Force's operating and capital costs will be subject to price inflation. Similarly, it will be assumed that base costs from Schedule L-1 included in Sub-CLIN AB will also be adjusted according to cumulative price inflation incurred at every scheduled year of price redetermination. However, costs included in Schedule B-2, Sub-CLIN AC from Schedule L-3 will not be adjusted for price inflation. The respective 50-year cash flow forecasts will be used in a life cycle cost analysis to determine the Air Force's net long term costs for each of the two alternatives. The present value of the status quo scenario will be compared to the present value of the privatized scenario to determine if long term costs to the Government would be reduced.

Schedule B-2

Each Sub-CLIN will be extended according to the following to arrive at an annual value:

Sub-CLIN AA – Monthly Credit as Payment for Purchase Price: This credit is an amortization of the purchase price calculated as a monthly credit against the Fixed Monthly Charge of the utility service. Monthly amortization values will be calculated for the time proposed by the Offeror. The monthly rate will be multiplied by 12 months to reach the annual cost. After the time period proposed by the Offeror expires, this portion of the monthly fixed rate will be removed from the cash flow projection.

Sub-CLIN AB – Fixed Monthly Charge: The Fixed Monthly Charge will be multiplied by 12 months to reach the annual cost. The annual Fixed Monthly Charge will be included in each year of the cash-flow projection.

Sub-CLIN AC - Initial Capital Upgrades: Monthly amortization values will be calculated for the time proposed by the Offeror. The monthly rate will be multiplied by 12 months to reach the annual cost. After the time period proposed by the Offeror expires, this portion of the rate will be removed from the cash flow projection.

Sub-CLIN AD - Transition Period: Fixed charge to be shown as a lump sum amount to cover the proposed period.

Schedule B-3

Each Sub-CLIN will be extended according to the following to arrive at an annual value:

Sub-CLIN AA – Monthly Credit as Payment for Purchase Price: This credit is an amortization of the purchase price calculated as a monthly credit against the Fixed Monthly Charge of the utility service. Monthly amortization values will be calculated for the time proposed by the Offeror. The monthly rate will be multiplied by 12 months to reach the annual cost. After the time period proposed by the Offeror expires, this portion of the monthly fixed rate will be removed from the cash flow projection.

Sub-CLIN AB – Applicable Tariff(s) or Special Contract Rate(s) filed with and under the jurisdiction of the State Public Utility Commission: The tariff or special contract rate will be multiplied by 12 months to reach the annual cost. The annual tariff or special contract rate will be included in each year of the cash-flow projection.

Sub-CLIN AC - Transition Period: Fixed charge to be shown as a lump sum amount to cover the proposed period.

M.4.6.4 - Monthly Credit to the Government for Delayed Response Times:

Credits will be evaluated for reasonableness and realism, but will not be included in the calculation to arrive at an annual value.

M.5 Subcontracting Plan

The Subcontracting Plan will be evaluated separately for compliance with the requirements of FAR 52.219-9, DFARS 219.705-4, and the statutory goal applicable to all federal agencies of 23 percent commitment of total subcontracting dollars to small businesses. Of the 23 percent, 5 percent shall be committed to SDBs, 5 percent to Women-Owned Businesses, and 1.5 percent to HUBZones. If the Offeror cannot meet any or all of the goals specified, complete rationale/ justification shall be provided.

M.6 Source-Selection Organization

The source-selection organization is established as a separate organization and management chain of command whose only purpose is to accomplish the above objectives. The organization consists of a source-selection authority and a source-selection evaluation team.