

**CUSTOMER CONTRACT REQUIREMENTS****Systems Engineering 2020 (SE-2020) supporting the Next Generation Air Transportation System (NextGen)****CUSTOMER CONTRACT DTFWA-09-R-SE2020**

## CUSTOMER CONTRACT REQUIREMENTS

- 1. The following clauses listed below are incorporated by reference with the same force and effect as if they were given in full text. The full text is available via the Internet at: <http://conwrite.faa.gov> (on this web page, select “Search and View Clauses”).**

3.1.7-1	<b>Exclusion from Future Agency Contracts</b> (August 1997)
3.1.7-2	<b>Organizational Conflicts of Interest</b> (August 1997)
3.1.7-5	<b>Disclosure of Conflicts of Interest</b> (February 2009)
3.1.8-2	<b>Price or Fee Adjustment for Illegal or Improper Activity</b> (September 2000)
3.2.2.3-8	<b>Audit and Records</b> (July 2004)
3.2.2.3-25	<b>Reducing the Price of a Contract or Modification for Defective Cost or Pricing Data</b> (July 2004)
3.2.2.3-27	<b>Subcontractor Cost or Pricing Data</b> (July 2004)
3.2.2.3-30	<b>Termination of Defined Benefit Pension Plans</b> (July 2004)
3.2.2.3-36	<b>Reversing or Adjusting of Plans for Post retirement Benefits Other Than Pensions (PRB)</b> (July 2004)
3.2.2.3-37	<b>Notification of Ownership Changes</b> (July 2004)
3.2.2.3-75	<b>Request for Contract Information</b> (July 2004)
3.2.2.7-6	<b>Protecting the Government’s Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment</b> (April 1996)
3.2.3-2	<b>Cost Accounting Standards</b> (April 1996)
3.2.3-3	<b>Disclosure and Consistency of Cost Accounting Practices</b> (April 1996)
3.2.3-5	<b>Administration of Cost Accounting Standards</b> (April 1996)
3.2.4-5	<b>Allowable Cost and Payment</b> (April 2001)
3.2.5-1	<b>Officials Not to Benefit</b> (April 1996)
3.2.5-3	<b>Gratuities or Gifts</b> (January 1999)
3.2.5-5	<b>Anti-Kickback Procedures</b> (October 1996)
3.2.5-6	<b>Restrictions on Subcontractor Sales to the FAA</b> (April 1996)
3.2.5-7	<b>Disclosure Regarding Payments to Influence Certain Federal Transactions</b> (June 1999)
3.2.5-13	<b>Contractor Code of Business Ethics and Conduct</b> (April 2008)
3.2.5-14	<b>Display of Hotline Poster(s)</b> (April 2008)
3.2.6-12	<b>Affirmative Action for Special Disabled and Vietnam Era Veterans</b>
3.3.2-1	<b>FAA Cost Principles</b> (October 1996)
3.5-1	<b>Authorization and Consent</b> (April 1996)
3.5-2	<b>Notice and Assistance Regarding Patent and Copyright Infringement</b> (April 1996)
3.5-13	<b>Rights in Data—General</b> (October 1996)
3.6.1-3	<b>Utilization of Small, Small Disadvantaged, Women-Owned, and Service-Disabled Veteran Owned Small Business Concerns</b> (September 2001)
3.6.1-4	<b>Utilization of Small, Small Disadvantaged, Women-Owned, and Service-Disabled Veteran Owned Small Business Concerns</b>
3.6.2-9	<b>Equal Opportunity</b> (August 1998)
3.6.2-10	<b>Equal Opportunity Preaward Clearance of Subcontracts</b> (November 1997)

3.6.2-12	<b>Affirmative Action for Special Disabled and Vietnam Era Veterans</b> (April 2007)
3.6.2-13	<b>Affirmative Action for Workers With Disabilities</b> (April 2000)
3.6.2-14	<b>Employment Reports on Special Disabled Veterans and Veterans of Vietnam Era</b> (April 2007)
3.6.2-16	<b>Notice to the Government of Labor Disputes</b> (April 1996)
3.6.2-35	<b>Prevention of Sexual Harassment</b> (August 1998)
3.6.3-2	<b>Clean Air and Clean Water</b> (April 1996)
3.6.3-11	<b>Toxic Chemical Release Reporting</b> (April 2008)
3.6.4-10	<b>Restrictions on Certain Foreign Purchases</b> (April 1996)
3.7-1	<b>Privacy Act Notification</b> (October 1996)
3.7-2	<b>Privacy Act</b> (October 1996)
3.10.1-3	<b>Penalties for Unallowable Costs</b> (October 1996)
3.10.2-6	<b>Subcontracts for Commercial Items and Commercial Components</b> (April 1996)
3.10.3-1	<b>Definitions</b> (April 2004)
3.10.3-2	<b>Government Property – Basic Clause</b> (April 2004)
3.13-5	<b>Seat Belt Use by Contractor Employees</b> (January 1999)
3.14-3	<b>Foreign Nationals as Contractor Employees</b> (April 2008)

## **2. THE FOLLOWING CLAUSES AND PROVISIONS ARE PROVIDED IN FULL TEST**

### **3.1.7-6 Disclosure of Certain Employee Relationships** (October 2006)

(a) The policy of the FAA is to avoid doing business with contractors, subcontractors, and consultants who have a conflict of interest or an appearance of a conflict of interest. The purpose of this policy is to maintain the highest level of integrity within its workforce and to ensure that the award of procurement contracts is based upon fairness and merit.

(b) The contractor must provide to the Contracting Officer the following information with its proposal and must provide an information update within 30 days of the award of a contract, any subcontract, or any consultant agreement, or within 30 days of the retention of a Subject Individual or former FAA employee subject to this clause:

(1) The names of all Subject Individuals who:

- (i) participated in preparation of proposals for award; or
- (ii) are planned to be used during performance; or
- (iii) are used during performance; and

(2) The names of all former FAA employees, retained by the contractor who were employed by FAA during the two year period immediately prior to the date of:

- (i) the award; or
- (ii) their retention by the contractor; and

(3) The date on which the initial expression of interest in a future financial arrangement was discussed with the contractor by any former FAA employee whose name is required to be provided by the contractor pursuant to subparagraph (2); and

(4) The location where any Subject Individual or former FAA employee whose name is required to be provided by the contractor pursuant to subparagraphs (1) and (2), are expected to be assigned.

(c) "Subject Individual" means a current FAA employee's father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, spouse of an in-law, or a member of his/her household.

(d) The contractor must incorporate this clause into all subcontracts or consultant agreements awarded under this contract and must further require that each such subcontractor or consultant incorporate this clause into all subcontracts or consultant agreements at any tier awarded under this contract unless the Contracting Officer determines otherwise.

(e) The information as it is submitted, must be certified as being true and correct. If there is no such information, the certification must so state.

(f) Remedies for nondisclosure: The following are possible remedies available to the FAA should a contractor misrepresent or refuse to disclose or misrepresent any information required by this clause:

- (1) Termination of the contract.
- (2) Exclusion from subsequent FAA contracts.
- (3) Other remedial action as may be permitted or provided by law or regulation or policy or by the terms of the contract.

(g) Annual Certification. The contractor must provide annually, based on the anniversary date of contract award, the following certification in writing to the Contracting Officer:

**ANNUAL CERTIFICATION OF DISCLOSURE OF CERTAIN EMPLOYEE RELATIONSHIPS**

The contractor represents and certifies that to the best of its knowledge and belief that during the prior 12 month period:

[ ] A former FAA employee(s) or Subject Individual(s) has been retained to work under the contract or subcontract or consultant agreement and complete disclosure has been made in accordance with subparagraph (b) of AMS Clause 3.1.7-6.

[ ] No former FAA employee(s) or Subject Individual(s) has been retained to work under the contract or subcontract or consultant agreement, and disclosure required by AMS Clause 3.1.7-6 is not applicable.

\_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Date

**3.2.2.3-39 Requirement for Cost or Pricing Data or Other Information – Modifications (July 2004)**

- (a) When there are price adjustments in the contract, the contractor (you, your) must submit the following:
  - (1) A certificate of current cost or pricing data (CCCPD) described in paragraph (e), or
  - (2) For information other than current cost or pricing data (CPD), a request for an exception to CCCPD. You must request this exception from the CO in writing with the following types of information or data that would establish the reasonableness of the prices you offer:

- (i) Information on an exception you received on earlier or repetitive acquisitions;
  - (ii) Catalog price information including:
    - (A) A dated catalog with the prices;
    - (B) The applicable catalog pages; or
    - (C) A statement that the catalog is on file in the contracts office that will issue this contract modification;
  - (iii) Information on the current discount policies and price lists (published or unpublished), for example wholesale, original equipment manufacturer, and reseller;
  - (iv) Evidence of substantial sales to the general public for catalog items that exceed [Contracting Officer (CO) to insert extended value - not unit price]. Your evidence may consist of verifiable records such as a sales order, contract, shipment, invoice, actual recorded sales; or sales by your affiliates, other manufacturers or vendors when your price proposal is based on sales of essentially the same commercial item. You must also explain the relationship of the offered price to the (1) established catalog price, or (2) the price of recent and substantial sales of similar quantities of the items that were sold to the general public at prices that differ from catalog or list prices;
  - (v) The basis for the market price including:
    - (A) The source, date or period of the market quotation;
    - (B) Any other basis for the market price, the base amount, and applicable discounts;
    - (C) The nature of the market for the supply or service you are offering (should be the same as or similar to the market price supply or service);

Or

    - (D) Data supporting substantial sales to the general public.
  - (vi) Laws or regulations that establish your offered prices. If the price is controlled under law by periodic rulings, reviews, or similar actions of a governmental body, attach a copy of a controlling document that you did not previously submit to the contracting office;
  - (vii) Information on modifications of contracts or subcontracts for commercial items that relate to the offered price, as follows:
    - (A) If you received an exception based on adequate price competition, catalog or market prices of commercial items, or prices set by law or regulation under the original contract or subcontract, and this modification is not covered by these exceptions, you must provide information to establish that the modification would not change the contract or subcontract from one for a commercial item to one for a non-commercial item;
    - (B) For commercial items, you may provide information on selling prices of the same item or similar items in the commercial market; and
  - (viii) Any other information the CO requests to support your request for an exception or to conclude that your price is fair and reasonable.
- (b) You give the CO the right to examine books, records, documents, or other directly pertinent records to verify your request for an exception under this clause or the reasonableness of price at any time before award.

- (c) The CO will not require you to provide access to cost or price information or other data that apply to prices offered in the catalog or marketplace.
- (d) Submitting information to qualify for an exception does not mean that this is the only exception that may apply.
- (e) You must submit under paragraph (a):

CERTIFICATE OF CURRENT COST OR PRICING DATA

I certify that, to the best of my knowledge and belief, the cost or pricing data we submit, either actually or by specific identification in writing, to the Contracting Officer or to the Contracting Officer's representative to support [\*] are accurate, complete, and current as of [\*\*]. This certification includes the cost or pricing data supporting any advance agreements and forward pricing rate agreements between the us and the Government that are part of the proposal.

[Contractor insert the following information.]

Firm \_\_\_\_\_

Signature \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Date of execution [\*\*\* \_\_\_\_\_]

\*Contractor identify the proposal, request for price adjustment, or other submission involved, giving the appropriate identifying number (for example, SIR No.)

\*\* Contractor insert the day, month, and year when price negotiations were concluded and price agreement was reached or, if applicable, an earlier date agreed upon between the parties that is as close as practicable to the date of a price agreement.

\*\*\* Contractor insert the day, month, and year of signing, which should be as close as practicable to the date when the price negotiations were concluded and the parties agreed on the contract price.

**3.6.2-17 Payment of Overtime Premiums (April 1996)**

- (a) The use of overtime is authorized under this contract if the overtime premium cost does not exceed **\$0.00**, or the overtime premium is paid for work --
  - (1) Necessary to cope with emergencies such as those resulting from accidents, natural disasters, breakdowns of production equipment, or occasional production bottlenecks of a sporadic nature;
  - (2) By indirect-labor employees such as those performing duties in connection with administration, protection, transportation, maintenance, standby plant protections, operations of utilities, or accounting;
  - (3) To perform tests, industrial processes, laboratory procedures, loading or unloading of transportation conveyances, and operations in flight or afloat that are continuous in nature and cannot reasonably be interrupted or completed otherwise; or

- (4) That will result in lower overall costs to the Government.
- (b) Any request for estimated overtime premiums that exceed the amount specified above must include all estimated overtime for contract completion and must –
- (1) Identify the work unit; e.g., department or section in which the requested overtime will be used, together with present workload, staffing, and other data of the affected unit sufficient to permit the Contracting officer to evaluate the necessity for the overtime;
  - (2) Demonstrate the effect that denial of the request will have on the contract delivery or performance schedules;
  - (3) Identify the extent to which approval of overtime would affect the performance or payment in connection with other Government contracts, together with identification of each affected contract; and;
  - (4) Provide reasons why the reworked work cannot be performed by using multishift operations or by employing additional personnel.

**3.6.2-37 Notification of Employees' Rights Concerning Payment of Union Dues or Fees (April 2007)**

1. During the term of this contract, the contractor agrees to post a notice in conspicuous places in and about its plants and offices, including all places where notices to employees are customarily posted. The notice must include the following information [except that the last two sentences must not be included in notices posted in the plants or offices of carriers subject to the Railway Labor Act, as amended (45 U.S.C. 151-188)].

**NOTICE TO EMPLOYEES**

Under federal law, employees cannot be required to join a union or maintain membership in a union in order to retain their jobs. Under certain conditions, the law permits a union and an employer to enter into a union-security agreement requiring employees to pay uniform periodic dues and initiation fees. However, employees who are not union members can object to the use of their payments for certain purposes and can only be required to pay their share of union costs relating to collective bargaining, contract administration, and grievance adjustment. If you do not want to pay that portion of dues or fees used to support activities not related to collective bargaining, contract administration, or grievance adjustment, you are entitled to an appropriate reduction in your payment. If you believe that you have been required to pay dues or fees used in part to support activities not related to collective bargaining, contract administration, or grievance adjustment, you may be entitled to a refund and to an appropriate reduction in future payments.

For further information concerning your rights, contact the National Labor Relations Board (NLRB) either at one of its Regional offices or at the following address:

National Labor Relations Board  
Division of Information  
1099 14th Street, NW  
Washington, D.C. 20570  
1-866-667-6572  
1-866-315-6572 (TTY)

To locate the nearest NLRB office, see NLRB's website at: [www.nlrb.gov](http://www.nlrb.gov).

2. The contractor will comply with all provisions of E.O. 13201 of February 17, 2001, and related rules, regulations, and orders of the Secretary of Labor.

3. In the event that the contractor does not comply with any of the requirements set forth in paragraphs (1) or (2) above, this contract may be cancelled, terminated, or suspended in whole or in part, and the contractor may be declared ineligible for further government contracts in accordance with procedures authorized in or adopted pursuant to E.O. 13201 of February 17, 2001. Such other sanctions or remedies may be imposed as are provided in E.O. 13201 of February 17, 2001, or by rule, regulation, or order of the Secretary of Labor, or as are otherwise provided by law.

4. The contractor will include the provisions of paragraphs (1) through (4) herein in every subcontract or purchase order entered into in connection with this contract unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 3 of E.O. 13201 of February 17, 2001, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any such subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including the imposition of sanctions for noncompliance; However, if the contractor becomes involved in litigation with a subcontractor or vendor, or is threatened with such involvement, as a result of such direction, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

**3.6.3-1 Clean Air and Clean Water Certification (April 1996)**

The Offerors signature on this contract constitutes an affirmative attestation that:

(a) Any facility to be used in the performance of this contract is not listed on the Environmental Protection Agency (EPA) List of Violating Facilities;

(b) The Offeror will immediately notify the Contracting Officer, of the receipt of any communication from the Administrator, or a designee, of the EPA, indicating that any facility that the Offeror uses for the performance of the contract is under consideration to be listed on the EPA List of Violating Facilities; and

(c) The Offeror will include a certification substantially the same as this certification, including this paragraph (c), in every nonexempt subcontract.

**3.8.2-18 Certificate of Data (October 1996)**

(a) The offeror represents and certifies that to the best of its knowledge and belief, the information and/or data (e.g., company profile, qualifications, background statements, brochures) submitted with its offer is current, accurate, and complete as of the date of its offer.

(b) The offeror understands that any inaccurate data provided to the Department of Transportation may subject the SP, its employees, or its representatives to: (1) prosecution for false statements pursuant to 18 U.S.C. 1001 and/or; (2) enforcement action for false claims or statements pursuant to the Program Fraud Civil Remedies Act of 1986, 31 U.S.C. 3801-3812 and 49 CFR Part 31 and/or; (3) termination for default under any contract resulting from its offer and/or; (4) debarment or suspension.

(c) The offeror agrees to obtain a similar certification from its subcontractors.

Signature: \_\_\_\_\_  
Date: \_\_\_\_\_  
Typed Name and Title: \_\_\_\_\_  
Company Name: \_\_\_\_\_

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 Title 18, United States Code, Section 1001.

### 3.10.2-2 Subcontracts (Cost-Reimbursement and Ceiling Priced Contracts) (October 1996)

(a) Subcontract, as used in this clause, includes but is not limited to purchase orders, and changes and modifications to purchase orders. The Contractor shall notify the Contracting Officer reasonably in advance of entering into any subcontract if:

- (1) The proposed subcontract is of the cost-reimbursement, time-and-materials, or labor-hour type;
- (2) The proposed subcontract is fixed-price and exceeds either \$100,000 or 5 percent of the total estimated cost of this contract;
- (3) The proposed subcontract has experimental, developmental, or research work as one of its purposes; or
- (4) This contract is not a facilities contract and the proposed subcontract provides for the fabrication, purchase, rental, installation, or other acquisition of special test equipment valued in excess of \$25,000 or of any items of facilities.

(b)

(1) In the case of a proposed subcontract that:

- (i) is of the cost-reimbursement, time-and-materials, or labor-hour type and is estimated to exceed \$25,000, including any fee,
  - (ii) is proposed to exceed \$100,000, or
  - (iii) is one of a number of subcontracts with a single subcontractor, under this contract, for the same or related supplies or services that, in the aggregate, are expected to exceed \$100,000,
- the advance notification required by paragraph (a) above shall include the information specified in subparagraph (2) below.

(2)

- (i) A description of the supplies or services to be subcontracted.
- (ii) Identification of the type of subcontract to be used.
  - (iii) Identification of the proposed subcontractor and an explanation of why and how the proposed subcontractor was selected, including the competition obtained.
  - (iv) The proposed subcontract price and the Contractor's cost or price analysis.
  - (v) The subcontractor's current, complete, and accurate cost or pricing data and Certificate of Current Cost or Pricing Data, if required by other contract provisions.
  - (vi) The subcontractor's Disclosure Statement or Certificate relating to Cost Accounting Standards when such data are required by other provisions of this contract.
  - (vii) A negotiation memorandum reflecting-
    - (A) The principal elements of the subcontract price negotiations;
    - (B) The most significant considerations controlling establishment of initial or revised prices;
    - (C) The reason cost or pricing data were or were not required;
    - (D) The extent, if any, to which the Contractor did not rely on the subcontractor's cost or pricing data in determining the price objective and in negotiating the final price;
    - (E) The extent to which it was recognized in the negotiation that the subcontractor's cost or pricing data were not accurate, complete, or current; the action taken by the Contractor and the subcontractor; and the effect of any such defective data on the total price negotiated;
    - (F) The reasons for any significant difference between the Contractor's price objective and the price negotiated; and

(G) A complete explanation of the incentive fee or profit plan when incentives are used. The explanation shall identify each critical performance element, management decisions used to quantify each incentive element, reasons for the incentives, and a summary of all trade-off possibilities considered.

(c) The Contractor shall obtain the Contracting Officer's written consent before placing any subcontract for which advance notification is required under paragraph (a) above. However, the Contracting Officer may ratify in writing any such subcontract. Ratification shall constitute the consent of the Contracting Officer.

(d) If the Contractor has an approved purchasing system and the subcontract is within the scope of such approval, the Contractor may enter into the subcontracts described in subparagraphs (a)(1) and (a)(2) of this clause without the consent of the Contracting Officer.

(e) Even if the Contractor's purchasing system has been approved, the Contractor shall obtain the Contracting Officer's written consent before placing subcontracts identified below:

**The Contractor shall obtain the Contracting Officer's written consent before placing any subcontracts on a T&M or Fixed Price/Rate Level of Effort basis.**

(f) Unless the consent or approval specifically provides otherwise, neither consent by the Contracting Officer to any subcontract nor approval of the Contractor's purchasing system shall constitute a determination:

- (1) of the acceptability of any subcontract terms or conditions,
- (2) of the allowability of any cost under this contract, or
- (3) to relieve the Contractor of any responsibility for performing this contract.

(g) No subcontract placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis.

(h) The Contractor shall give the Contracting Officer immediate written notice of any action or suit filed and prompt notice of any claim made against the Contractor by any subcontractor or vendor that, in the opinion of the Contractor, may result in litigation related in any way to this contract, with respect to which the Contractor may be entitled to reimbursement from the Government.

(i)

(1)Reserved.

(2) Additionally, the Contractor shall include in each cost- reimbursement subcontract under this contract a requirement that the subcontractor insert the substance of the appropriate modified subparagraph referred to in subparagraph (1) above in each lower tier price redetermination or incentive price revision subcontract under that subcontract.

(j) To facilitate small business participation in subcontracting, the Contractor agrees to provide payments on subcontracts under this contract that are fixed-price subcontracts with small business concerns in conformity with the standards for customary payments, as in effect on the date of this contract. The Contractor further agrees that the need for such financing payments will not be considered a handicap or adverse factor in the award of subcontracts.

(k) The Government reserves the right to review the Contractor's purchasing system.

### **3.14-2 Contractor Personnel Suitability Requirements (January 2009)**

(a) This clause applies to the extent that this contract requires contractor employees, subcontractors, or consultants to have unescorted access to FAA:

(1) Facilities;

(2) Sensitive information; and/or;

(3) Resources regardless of the location where such access occurs, and none of the exceptions of FAA Order 1600.72A, Contractor and Industrial Security Program, Chapter 5, paragraphs 4, 6, 7 and 8 pertains.

Definitions of applicable terminology are contained in the corresponding guidance and FAA Order 1600.72A, appendix A.

(b) Consistent with FAA Order 1600.72A, the FAA Servicing Security Element (SSE) has approved designated risk levels for the positions under the contract. Those designated risk levels are:

Labor Category	Skill Levels	Risk Level

(c) If a National Agency Check with Inquiries (NACI) or other investigation is required under paragraph (b) for a given position, the contractor will submit to the Contracting Officer (CO) a point of contact (POC) that will enter applicant data into the Vendor Applicant Process (VAP) system (vap.faa.gov). VAP is a FAA system used to process and manage security information for FAA contractor personnel. Each contract may have up to 5 POCs. Once designated, a VAP administrator will provide each POC a Web ID and Password

The type of investigation conducted will be determined by the position risk level designation for all duties, functions, and/or tasks performed and will serve as the basis for granting a favorable employment suitability authorization as described in FAA Order 1600.72A. If an employee has had a previous U.S. Government conducted background investigation which meets the requirements of Chapter 5 of FAA Order 1600.72A and Homeland Security Presidential Directive 12 (HSPD-12), it will be accepted by the FAA. However, the FAA reserves the right to conduct further investigations, if necessary. The contract may include positions that are temporary, seasonal, or under escort only. In such cases, a FAA Form 1600-77 for each specific position will be established as the investigative requirements may differ from the NACI.

The following information must be entered into VAP by the POC for each applicant requiring an investigation:

- Name;
- Date and place of birth (city and state);
- Social Security Number (SSN);
- Position and office location;
- Contract number;
- Current e-mail address and telephone number (personal or work); and
- Any known information regarding current security clearance or previous investigations (e.g., the name of the investigating entity, type of background investigation conducted, contract number, labor category (Position), and approximate date the previous background investigation was completed).

If a prior investigation exists and there has not been a 2 year break in service by the applicant, the SSE will notify the contractor that no investigation is required and that final suitability is approved.

If no previous investigation exists, the SSE will send the applicant an e-mail (this step may be delegated to VAP POC):



(k) If subsequent to the effective date of this contract, the security classification or security requirements under this contract are changed by the Government and if the changes cause an increase or decrease in direct contract costs or otherwise affect any other term or condition of this contract, the contract will be subject to an equitable adjustment.

(l) The contractor agrees to insert terms that conform substantially to the language of this clause, including paragraph (k) but excluding any reference to the Changes clause of this contract, in all subcontracts under this contract that involve access and where the exceptions under Chapter 5, FAA Order 1600.72A do not apply.

(m) Contractor employees who have not undergone a background investigation must be escorted at all times. In some instances, a contractor employee may be required to serve as an escort. To serve as an escort, a contractor employee must have a favorably adjudicated fingerprint check and initiated a NACI with FAA.

### **3.14-4 Access to FAA Systems and Government-Issued Keys, Personal Identity Verification (PIV) cards, and Vehicle Decals (July 2008)**

- (a) It may become necessary for the Government to grant access to FAA systems or issue keys, PIV cards, vehicle decals, and/or access control cards to contractor employees. Prior to or upon completion or termination of the work required hereunder, the contractor must return all such Government-issued items and submit a request to terminate all user accounts on applicable FAA systems to the issuing office with notification to the Contracting Officer's Technical Representative (COTR). When contractor employees who have been issued such items are terminated or no longer required to perform the work, the Government-issued items must be returned to the Government and a request submitted for the termination of FAA system access within three (3) business days or upon termination of the contract or the employee. Improper use, possession or alteration of FAA issued keys, PIV Cards and/or vehicle decals is subject to penalties under Title 18, USC 499, 506, 701, and 1030.
- (b) In the event such keys, PIV Cards, or vehicle decals are lost, stolen, or not returned, the contractor understands and agrees that the Government may, in addition to any other withholding provision of the contract, withhold \$200.00 for each key PIV Card, and vehicle decal lost, stolen, or not returned. If the keys, PIV Cards, or vehicle decals are not returned within 30 calendar days from the date the withholding action was initiated, any amount so withheld must be forfeited by the contractor.
- (c) Access to aircraft ramp/hangar areas is authorized only to those persons displaying a flight line identification card and for vehicles, a current ramp permit issued pursuant to Title 49, Part 1542, Code of Federal Regulations.
- (d) The Government retains the right to inspect inventory, or audit PIV Cards, keys, vehicle decals, and access control cards issued to the contractor in connection with the contract at the convenience of the Government. Any items not accounted for, to the satisfaction of the Government will be assumed to be lost and the provisions of section (b) apply.
- (e) Keys must be obtained from the COTR who will require the contractor to sign a receipt for each key obtained. Lost or stolen keys, PIV Cards, vehicle decals, and access control cards must immediately be reported concurrently to the Contracting Officer (CO), COTR, and applicable FAA Regional Security Office. Electronic keying cards are handled in the same manner as metal keys.
- (f) Each contract employee, during all times of on-site performance at any and all FAA Facilities must prominently display his/her current and valid PIV card on the front portion of his/her body between the neck and waist. Each PIV card holder must not affix pins, stickers, or other decorations to the PIV.
  - (1) Prior to any contractor employee obtaining a PIV Card or vehicle decals, the contract employee is required to report in person to the SSE Registrar or an FAA designated trusted agent for fingerprinting, photographing, and to submit their required investigation forms as described in AMS clause 3.14-2, Contractor Personnel Suitability Requirements. The investigative forms must

be submitted to either the applicable Regional Security Office or the Headquarters Security Office listed in AMS clause by the contractor in a sealed envelope either hand carried by the contractor or sent via U.S. mail to: the addresses listed in paragraph (c) of AMS Clause 3.14-2. The SSE will review the forms and approve interim suitability prior to the contract employee beginning work. When an interim is granted by the SSE, the individual may begin work under escort until their OPM fingerprint check has been returned and successfully adjudicated. Once the OPM fingerprint check has been successfully adjudicated, they can then be badged. If the contract employee requires a PIV Card, the fingerprint check must be completed and favorably adjudicated by the SSE prior to approval or issuance of the PIV card.

- (2) To obtain the PIV Card, contractor employee must submit an identification Card/Credential Application (DOT 1681) signed by the contractor employee and by the authorized trusted agent (when applicable) and also by the authorized sponsor to the CO or to the COTR. The DOT 1681 must contain, as a minimum, under the "Credential Justification" heading, the name of the contractor/company, the contract number or the appropriate acquisition identification number, the expiration date of the contract or the task (whichever is sooner), and the required signatures. The contractor will be notified when the DOT 1681 has been approved and is ready for processing by the FAA Security Office. Arrangements for processing the identification cards, including photographs and lamination can be made by the contacting the FAA Security Service Center at (202) 267-7423.
  - (3) The contractor must contact the SSE to obtain the procedures that the contractor's employees must utilize to obtain their PIV Card.
- (g) The contractor is responsible for ensuring final out-processing is accomplished for all departing contractor employees. Final out-processing must be accomplished by close of business the final workday of the contractor employee or the next day under special conditions. The SSE must be notified in writing and ensure that all FAA media, including the PIV card, are returned to the SSE.

#### **SP-1 ALLOWABILITY AND PAYMENT OF SELECTED ITEMS OF COST UNDER THIS CONTRACT**

(a) Training: The Government will not allow costs, nor reimburse costs associated with the contractor training employees in an effort to attain and/or maintain minimum personnel qualification requirements of the contract. Other training may be approved on a case-by-case basis within an approved Task Assignment. Attendance at workshops or symposiums is considered training for the purposes of this clause.

(b) General Purpose Office Equipment (GPOE) and Information Technology (IT): The cost of acquisition of GPOE and IT shall not be allowable as direct charges to this contract. The contractor is expected to have the necessary GPOE and IT required to perform the task orders issued under this contract. GPOE means equipment normally found in a business office such as desks, chairs, typewriters, calculators, file cabinets, etc. IT means any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, movement, control, display, switching, interchange, transmission, or reception of data or information. IT includes computers, ancillary equipment, software, firmware and similar products, services (including support services), and related resources.

(c) Administrative Labor Costs: Labor costs for such administrative functions as contract administration, subcontract management, human resources, and contract/invoice accounting shall not be allowable direct labor costs under this contract.

(d) Only costs expended in support of specific approved and issued task orders are allowable under this contract. This contract is intended primarily to be used for the purchase of services, and not for the purchase of material, equipment, hardware or software. When specific task orders appropriately require purchase of material, equipment, hardware or software, said items will be called out in the task order, as being required in direct support of administration or performance of the task order.

**SP-2 TRAVEL REIMBURSEMENT**

- (a) The contractor will be reimbursed for allocable, allowable, and reasonable travel expenses. All Contractor travel shall be identified in an approved Task Assignment. Except as otherwise provided herein, the contractor shall be reimbursed for travel on the basis of actual expenses incurred in accordance with the Federal Joint Travel Regulation and the FAA Travel Policy, subject to the following:
- (1) All travel, whether it be within the continental United States or outside the continental United States, must be accomplished by commercial carrier, rail, privately-owned automobile or auto rental and the cost paid by the contractor. The Government will reimburse the contractor in accordance with the "Federal Travel Regulation" for domestic transportation on the basis of actual cost if by commercial or Government carrier, and at the current rate per mile, plus road and bridge tolls.
  - (2) The travel reimbursement herein includes only that travel (commercial carrier, or private automobile or auto rental) performed from the contractor's plant to the site of work, between the site of work, and from the site of work to the contractor's plant. Travel within a Government installation where Government transportation is available, and travel performed for personal convenience, including daily travel to and from work, will not be reimbursed.
  - (3) Relocation costs and travel costs incidental to relocation are not allowable as a direct charge to the contract and will not be reimbursed as a direct charge.
  - (4) The contractor must use alternate airports where available and within a reasonable commuting distance if it will result in lower costs.
  - (5) The contractor must conduct a cost analysis prior to the start of travel to determine the overall most cost effective means.
- (b) Per Diem: The contractor will be reimbursed for the expense of meals, lodging, transportation between places of lodging or business and places where meals are taken, and any other miscellaneous travel and living expenses incurred in the performance of this contract at the per diem rate as set forth in accordance with the GSA "Federal Travel Regulation." Per Diem must be payable only when the contractor's employee is in an authorized travel status. The per diem rate must be established in accordance with the "Department of Transportation Travel Regulations" or a set rate agreed upon by the parties; however, such a set rate must not exceed the maximum amount permitted by the GSA "Federal Travel Regulations." Receipts must be required for all Per Diem Expenses exceeding \$75.00.
- (c) Contractor Use of Government Discount Rates:
- (1) To the maximum extent practicable, and consistent with travel requirements, the contractor agrees to use the reduced air transportation rates and reduced hotel accommodation rates provided through available Government discount rates. These discount rates are for bona fide employee travel that are otherwise reimbursable as a direct cost pursuant to the contract when use of such rates results in the lowest overall cost.
  - (2) Upon receipt of a list of eligible contractor employees, the Contracting Officer will provide the contractor with an agency letter of identification for presentation to participating airlines and hotels.
  - (3) The Federal Travel Directory, which GSA publishes monthly, identifies current contract airlines and hotels. The symbol in the Federal Travel Directory for discount hotel rates is CRC.

**SP-3 CONFIDENTIALITY OF DATA AND INFORMATION**

- (a) The contractor and any of its subcontractors, in performance of this contract, may need access to and use of various types of data and information in the possession of the Government, which the Government obtained under conditions which restrict its right to use and disclose data and information or which may be of a nature that its dissemination or use, other than in the performance of this contract, would be adverse to the interests of the Government or other parties. Therefore, the contractor and its subcontractors agree to abide by any restrictive use conditions on such data and not to: (1) knowingly disclose such data and information to others without written authorization from the Contracting Officer, unless the Government has made data and information available to the public; and (2) use for any purpose other than the performance of this contract any data which bears a restrictive marking or legend.

- (b) In the event the work required to be performed under this contract requires access to proprietary data of other companies, the contractor must obtain agreement from such other companies for such use unless such data are provided or made available to the contractor by the Government. Two copies of such company-to-company agreements must be furnished promptly to the Contracting Officer for information only. These agreements must prescribe the scope of authorized use of disclosure and other terms and conditions to be agreed upon between the parties thereto. It is agreed by the contractor that any such data, whether obtained by the contractor pursuant to the aforesaid agreement or from the Government, must be protected from unauthorized use or disclosure to any individual, corporation, or organization so long as it remains proprietary.
- (c) The contractor agrees to conduct formal training to make employees aware of the requirement to maintain confidentiality of data and information, as required above, to the end that they will be disciplined if the necessity to refrain from divulging either the proprietary data of other companies or data that are obtained from the Government to anyone except as authorized. The contractor must obtain from each employee engaged in any effort connected with this contract an agreement, in writing, which must in substance provide that such employee will not, during his/her employment by the contractor or anytime thereafter, disclose to others or use for his/her own benefit or the future benefit of any individual any trade secrets, confidential information, or proprietary/restricted data (to include Government "For Official Use Only") received in connection with the work under this contract.
- (d) The contractor agrees to hold the Government harmless and indemnify the Government as to any cost/loss resulting from the unauthorized use or disclosure of third party data or software by the contractor, its employees, subcontractors, or agents.
- (e) The contractor agrees to include the substance of this clause in all subcontracts awarded under this contract. The Contracting Officer will consider case-by-case exceptions to this requirement for individual subcontracts in the event that: (1) the contractor considers the application of the prohibition of this clause to be inappropriate and unnecessary in the case of a particular subcontract; (2) the contractor provides a written statement affirming absolute unwillingness of a subcontractor to perform, absent some relief from the substance of this prohibition; (3) use of an alternate subcontract source would unreasonably detract from the quality of effort; and (4) the contractor provides the Contracting Officer timely written advance notice of these and any other extenuating circumstances.
- (f) Except as the Contracting Officer specifically authorizes in writing, upon completion of all work under this contract, the contractor must return all such data and information obtained from the Government, including all copies, modifications, adaptations, or combinations thereof, to the Contracting Officer. Data obtained from another company must be disposed of in accordance with the contractor's agreement with that company, or if the agreement makes no provision for disposition, must be returned to that company. The contractor must further certify in writing to the Contracting Officer that all copies, modifications, adaptations, or combinations of such data or information which cannot reasonably be returned to the Contracting Officer (or to the appropriate company), have been deleted from the contractor's (and any subcontractor's) records and destroyed.
- (g) These restrictions do not limit the contractor's (or subcontractor's) right to use and disclose any data and information obtained from another source without restriction.

#### **SP-4 RELEASE AND DISSEMINATION OF INFORMATION**

- a. There must be no dissemination or publication, except in and between the contractor and any subcontractors, of information (including photographs, films, public announcements, or denial or confirmation of same) contained in reports to be furnished pursuant to this contract without prior written approval of the Contracting Officer.
- b. Work performed under this contract may involve access to information, including specifications, cost estimates and other sensitive data. Consequently, the Contractor (including individual employees thereof) shall not release

any sensitive information that it gains access to in performance of this contract, without the prior written consent of the Contracting Officer.

c. The Contractor shall not refer to the services furnished pursuant to the provisions of this contract in any publication, advertisement, or news release, without the prior written consent of the Contracting Officer.

#### **SP-5 ORGANIZATIONAL CONFLICT OF INTEREST**

(a)(1) "Organizational Conflict of Interest" means that because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advise to the Government, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage. "Person" as used herein includes Corporations, Partnerships, Joint Ventures, and other business enterprises.

(2) "Contractor" as used in this clause includes any affiliate, subcontractor, consultant or employee of the Contractor, as well as any joint venture involving the Contractor, any entity into or with which it may subsequently merge or affiliate, or any other successor or assignee of the Contractor. All references to the "Contractor" as contained in this clause shall apply with equal force to all of these included.

(3) "Contract" and "task order" shall be used as applicable to the level at which this clause is being invoked.

(b) This special provision may be invoked in different variations at the task order level. Notwithstanding other language in this contract that gives this contract precedence when it conflicts with task orders, the task order language concerning organizational conflict of interest, if any, shall take precedence.

(c) The following FAA AMS clauses have been included in this contract because the Contracting Officer has determined that an organizational conflict of interest could occur:

- 3.1.7-1 Exclusion from Future Agency Contracts (August 1997)
- 3.1.7-2 Organizational Conflicts of Interest (August 1997)
- 3.1.7-4 Organizational Conflict of Interest (February 2009)
- 3.1.7-5 Disclosure of Conflicts of Interest (February 2009)
- 3.1.7-6 Disclosure of Certain Employee Relationships (October 2006)

(d) This contract incorporates an OCI Mitigation Plan that is deemed acceptable to the Contracting Officer (see **Attachment J003**).

(e) It is recognized that the efforts to be performed by the Contractor under this contract may create a potential organizational conflict of interest on the instant contract or on a present or future acquisition. In order to avoid this potential conflict of interest, and at the same time to avoid prejudicing the best interest of the Government, the right of the Contractor to participate in future procurement of equipment and/or services that are the subject of work under this contract may be limited. See FAA AMS T3.1.7. The Contracting Officer's decision as to the existence of an actual or potential organizational conflict of interest shall be final, and is not subject to the 'Contract Disputes' clause.

(f) The Contractor shall promptly notify the Contracting Officer, in writing, if it has been tasked to evaluate or advise the Government concerning its own products or activities or those of a competitor in order to ensure proper safeguards exist to guarantee objectivity and to protect the Government's interest.

(g) The Contractor shall include this requirement in subcontracts of any tier which involve access to information or situations/conditions covered by the preceding paragraphs, substituting "subcontractor" for "contractor" where appropriate.

(h) The rights and remedies described herein shall not be exclusive and are in addition to other rights and remedies provided by law, including those set forth at AMS T3.1.7, or elsewhere included in this contract.

(i) Compliance with this requirement is a material requirement of this contract.

**3. IF GOODS OR SERVICES BEING PROCURED UNDER THIS CONTRACT ARE FOR COMMERCIAL ITEMS AND CLAUSE H203 IS SET FORTH IN THE PURCHASE CONTRACT, THE FOREGOING GOVERNMENT CLAUSES IN SECTIONS 1 AND 2 ABOVE ARE DELETED AND THE FOLLOWING FAR CLAUSES ARE INSERTED IN LIEU THEREOF:**

- (1) (I) EQUAL OPPORTUNITY (E.O. 11246);
- (2) (II) AFFIRMATIVE ACTION FOR SPECIAL DISABLED AND VIETNAM ERA VETERANS (38 U.S.C. 4212(A));
- (3) (III) AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS (29 U.S.C. 793); AND
- (4) (IV) PREFERENCE FOR PRIVATELY OWNED U.S.-FLAGGED COMMERCIAL VESSELS (46 U.S.C. 1241) (FLOW DOWN NOT REQUIRED FOR SUBCONTRACTS AWARDED BEGINNING MAY 1, 1996)