

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE	PAGE OF PAGES	
				U	1	17
2. AMENDMENT/MODIFICATION NO. 0002	3. EFFECTIVE DATE 16-Oct-2015	4. REQUISITION/PURCHASE REQ. NO.		5. PROJECT NO. (If applicable)		
6. ISSUED BY COMMANDER, SPACE AND NAVAL WARFARE SYSTEMS COMMAND O2 CONTRACTS 4301 PACIFIC HIGHWAY SAN DIEGO CA 92110-3127	CODE N00039	7. ADMINISTERED BY (If other than item 6) See Item 6		CODE		
8. NAME AND ADDRESS OF CONTRACTOR (No., Street, County, State and Zip Code)				X	9A. AMENDMENT OF SOLICITATION NO. N00039-14-R-0001	
				X	9B. DATED (SEE ITEM 11) 30-Sep-2015	
					10A. MOD. OF CONTRACT/ORDER NO.	
					10B. DATED (SEE ITEM 13)	
CODE				FACILITY CODE		
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS						
<input checked="" type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offer <input type="checkbox"/> is extended, <input checked="" type="checkbox"/> is not extended.						
<p>Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended by one of the following methods:</p> <p>(a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.</p>						
12. ACCOUNTING AND APPROPRIATION DATA (If required)						
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACT/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.						
A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.						
B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(B).						
C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:						
D. OTHER (Specify type of modification and authority)						
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input type="checkbox"/> is required to sign this document and return _____ copies to the issuing office.						
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)						
The purpose of this amendment is to revise the SPS and SOW and provide Q&A responses.						
Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.						
15A. NAME AND TITLE OF SIGNER (Type or print)				16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)		
				TEL:	EMAIL:	
15B. CONTRACTOR/OFFEROR		15C. DATE SIGNED		16B. UNITED STATES OF AMERICA		16C. DATE SIGNED
(Signature of person authorized to sign)				BY <i>[Signature]</i>		16-Oct-2015
				(Signature of Contracting Officer)		

SECTION SF 30 BLOCK 14 CONTINUATION PAGE

SUMMARY OF CHANGES

SECTION B - SUPPLIES OR SERVICES AND PRICES

CLIN 0001

The CLIN extended description has changed from AN/USQ-214 Network Tactical Common Data Link (NTCDL) Systems (2 EDMs) (to include antenna subsystem, Link Management Subsystem, and External Data User Interface Subsystem Hardware) and 3 Installation Test Support Device (ITSD) to include First Article Testing (FAT)IAW SPS Para 3.13 and SOW Para 3.2SHARE RATIO: Government pays 40% cost over target/Contractor pays 60% over target. to AN/USQ-214 Network Tactical Common Data Link (NTCDL) Systems (2 EDMs) (to include antenna subsystem, Link Management Subsystem, and External Data User Interface Subsystem Hardware) and 3 Installation Test Support Device (ITSD) to include First Article Testing (FAT)IAW SPS Para 3.13 and SOW Para 3.2SHARE RATIO: Government 40%/Contractor 60% for cost overruns and underruns..

The following have been added by full text:

5252.216-9200 PAYMENT OF FIXED FEE (COMPLETION TYPE) (JAN 1989)

FIXED FEE: \$ [*Contracting officer insert negotiated fixed fee amount*]. The Government shall make payment to the Contractor when requested as work progresses, but no more frequently than biweekly, on account of the fixed fee, equal to [*Contracting officer insert fee percentage (total fixed fee divided by total estimated cost plus cost of money)*] percent of the amounts invoiced by the Contractor under the "Allowable Cost and Payment" clause hereof for the related period, subject to the withholding provisions of paragraph (b) of the "Fixed Fee" clause. In the event of discontinuance of the work in accordance with clause of this contract entitled "Limitation of [*Contracting officer insert "Cost" or "Funds", as appropriate*]," the fixed fee shall be redetermined by mutual agreement equitably to reflect the diminution of the work performed; the amount by which such fixed fee is less than, or exceeds payments previously made on account of fee, shall be paid, or repaid by, the Contractor, as the case may be.

(End of clause)

5252.216-9203 PAYMENT OF INCENTIVE FEE (JAN 1989)

TARGET COST (Exclusive of Fee): \$ [*Contracting officer insert amount*].

MINIMUM FEE: \$[*Contracting officer insert amount*] (0%).

TARGET FEE: \$[*Contracting officer insert amount*] (7%)

MAXIMUM FEE: \$[*Contracting officer insert amount*] (12%).

SHARE RATIO: Government 40% /Contractor 60% for cost overruns and underruns.

The allowable cost and incentive fee hereunder shall be paid in accordance with the clauses of the contract entitled "Allowable Cost and Payment" and "Incentive Fee".

The Government shall make payment on account of the target fee of 7 percent (%) of the amounts payable under each invoice for the work performed, subject however, to the withholding provisions of paragraph (c) of the "Incentive Fee" clause of this contract.

In the event of discontinuance of the work in accordance with the clause entitled "Limitation of Cost," the fee shall be re-determined by mutual agreement equitably to reflect the diminution of the work performed; the amount by which such fee is less than or exceeds, payments previously made on account of fee, shall be paid to, or repaid by, the Contractor, as the case may be.

(End of clause)

The following have been deleted:

5252.216-9203 Payment of Incentive Fee (Jan 1989) OCT 2006

SECTION F - DELIVERIES OR PERFORMANCE

The following have been modified:

52.211-8 TIME OF DELIVERY (JUN 1997)

(a) The Government requires delivery to be made according to the following schedule:

REQUIRED DELIVERY SCHEDULE

ITEM	DESTINATION	QUANTITY	DELIVERY SCHEDULE
0001	SPAWAR SSC Pacific	1 Lot	30 Months After Contract Award (MACA) -First Article Test (FAT), followed by delivery of 2 EDMs -Joint Interoperability Test Center (JITC) Waveform certifications for all CDL waveforms required prior to FAT testing -NSA Certification 31 – 36 MACA -Shock testing, qualification and

			environmental testing -Initial delivery of EDM Technical Data Package (TDP) 48 MACA -Final delivery of EDM TDP -Update TDP after DT/OA and incorporate any ECPs implemented
0002	TBD	1 EDM	24 Mos after Option Exercised
0003	TBD	1 Lot	6 Mos after Contract Award
0004	TBD	1 Lot	TBD
0005	TBD	1 Lot	18 Mos after Option Exercised
0006	COR		As specified in CDRLs
1001 - 1004, and 2001 - 2004	TBD	TBD	12 Mos from Option Exercised (at a rate of 2 per month)

(End of clause)

SECTION H - SPECIAL CONTRACT REQUIREMENTS

The following have been modified:

H-1

Provisioning Items Ordered (PIO)

APPLICABLE TO CLINS, if and to the extent exercised, option items 1002, and 2002.

- (a) Contracting Modification – Provisioning Items and Other Supplies or Services to be Furnished When Ordered by the Government. The Contractor shall furnish supplies or services under the Item set forth herein when a contract modification is issued by the Purchasing Contracting Officer (PCO) in accordance with the procedures specified in the Schedule. The Government shall not be liable for any expenses incurred by the Contractor under Item set forth herein until a contract modification is issued by the Government.
- (b) Ordering. For the purpose of this contract, the PCO is the ordering activity. The PCO will issue contract modifications for supplies or services to be furnished by the Contractor in accordance with requirements specified by the cognizant provisioning or requiring activity designated in paragraph (1) below. Each contract modification issued in accordance with paragraph (d) or (e) below shall be prepared on Standard Form 30 (Amendment of Solicitation/Modification of Contract);
- (i) be numbered as a modification to this contract in accordance with FAR Supplement 4.7004-3;

- (ii) identify the Item number set forth in SECTION B of the Schedule under which the supplies or services are being procured;
- (iii) set forth the supplies or services and the quantities being procured.
- (iv) set forth packaging (preservation and packing) and marking requirements for supplies being procured (See FAR 10.004(e));
- (v) set forth consignment instructions for supplies being procured to the extent they are known at the time the contract modification is issued (See FAR 47.305-10 and DOD FAR Supplement 247.305-10);
- (vi) set forth the negotiated delivery or performance dates (or the Government's desired delivery or performance dates in the case of a NTE modification where the delivery schedule has not been negotiated);
- (vii) identify those items, if any, subject to the "Limitation of Liability – Major Items" clause, if included in this contract;
- (viii) obligate funds to cover supplemental agreement issued under paragraph (d) below or not to exceed (NTE) modifications issued under paragraph (e) below;
- (ix) set forth the applicable accounting and appropriation data;
- (x) be given the same distribution as this contract, except that distribution of voluminous contract exhibits shall be limited to:
 - (1) the Contractor,
 - (2) the Contract Administration Office,
 - (3) the cognizant provisioning or requiring activity,
 - (4) the Paying Office, and
 - (5) the Accounting Office.

(c) Supplemental Agreements Covering Priced Provisioning Items or Other Supplies or Services. Except as otherwise provided in paragraph (e) below, the PCO will issue a supplemental agreement to this contract when supplies or services are to be furnished by the Contractor. The Contractor shall submit to the PCO, prior to the issuance of each modification, a price quotation for the supplies or services ordered by the Government which shall include: (1) an estimate of the costs with sufficient data to support the accuracy and reliability of such estimate, and (2) supporting cost and pricing data. Such supplemental agreement shall be fully priced and otherwise fully definitive at the time of issuance and shall be signed by the Contractor and the PCO.

(d) Provisioning Items Orders and Other NTE Modifications. In those cases where it is not possible to fully price the supplies or services required by the Government in accordance with paragraph (c) above, the PCO will issue unilateral contract modification in the form of a NTE modification. Each NTE modification shall provide for total performance of the modification for the specified NTE and such NTE shall bear reasonable relationship to the work to be performed. A milestone schedule which culminates in a mutually agreed date upon which complete definitization will occur shall be included in each NTE modification. The milestone schedule established in the NTE modification concerned shall be within the period set forth in paragraph (g) below. Each NTE modification shall set forth the not-to-exceed NTE for the supplies or services being procured and shall be signed by the PCO. The NTE specified in any NTE modification shall not be used as a billing price for delivered items. Modifications for provisioned items shall be issued in accordance with DOD FAR Supplemental 217-7402(b).

(e) Limitation of Government Liability and Contractor Obligations Under NTE Modifications. The not-to-exceed price specified in each NTE modification shall be the limitation on the Government's obligation to pay for the supplies of the services being ordered until the NTE modification has been superseded by a supplemental agreement to this contract unless such not-to-exceed price has been increased, in writing, by the PCO. The Contractor shall not be obligated to proceed with performance under any NTE modified, if the Contractor has reason to believe that the supplies or services called for will so exceed the estimated price specified therein, but shall promptly so notify the PCO, in writing, with a copy to the cognizant provisioning or requiring activity, and propose an increase in the estimated price. Within fifteen (15) days after receipt of such notification, the PCO will either increase the estimated price of the NTE modification concerned or notify the Contractor, in writing, how and to what extent the work is to be continued. If the Contractor has reason to believe that the total price to the Government for the supplies or services called for in any NTE modification will be substantially less than the estimated price specified therein, the Contractor shall promptly so notify the PCO in writing, with a copy to the cognizant provisioning or

requiring activity. The PCO may, based upon such notification decrease the estimated price of the NTE modification concerned.

(f) Cost Quotations and Establishment of Definitized Estimated Firm Fixed Price Under NTE Modifications. The Contractor shall submit to the PCO, not later than sixty (60) days after issuance of each NTE modification a price quotation for the supplies or services ordered by the Government which shall include: (1) a statement of costs incurred and an estimate of the costs expected to be incurred in the performance of the NTE modification, together with sufficient data to support the accuracy and reliability of such estimate, and (2) supporting cost and pricing data. Upon submission of the Contractor's price quotation, the Contractor and the PCO shall promptly negotiate and establish a firm price for the supplies or services called for in the NTE modification concerned. The firm price established for the supplies set forth in a supplemental agreement to the contract shall supersede the applicable NTE modification. Multiple NTE modifications or portions of unpriced modifications may be incorporated in a supplemental agreement which supersedes a NTE modification, provided that the identification shown in the applicable NTE modifications is set forth in such supplemental agreements. Any supplemental agreement, which supersedes a NTE modification, shall be executed within one hundred eighty (180) days after the issuance of the NTE modification, but in no event after forty percent (40%) of the work has been completed. If agreement on a definitive bilateral modification to any NTE modification is not reached by the period specified above, the PCO may determine a reasonable price for the NTE modification concerned with FAR 15.8 and FAR Part 31 and DOD FAR Supplemental 215.8 and FAR Part 31 subject to appeal by the Contractor as provided in the "Disputes" clause of this contract.

(g) Segregation of Costs of NTE Modifications. The Contractor shall segregate by modification all incurred costs (less allocable credits) for work allocable to each NTE modification issued pursuant to paragraph (e) above. The requirement for the Contractor to segregate the costs of each NTE modification shall continue until a firm price is established by a supplemental agreement to this contract.

(h) Modification to Supplemental Agreements. Additions to supplemental agreements or NTE modifications shall be effected in accordance with the procedures for issuing contract modifications specified herein. Any claim for charges resulting from a decrease in the supplies or services ordered by the Government shall be processed in accordance with the termination procedures of this contract. Items of supplies or service set forth in modifications to supplemental agreements or NTE modifications (or contract exhibits) issued hereunder shall be numbered in accordance with the applicable procedures in DOD FAR Supplemental 204.7107, except that new contract line numbers shall not be assigned in contract modifications issued by the PCO.

(i) Provisioning Document, Specification, or Description of Work. The applicable provisioning document or specification or the description of the work is set forth below. To the extent of any inconsistency between any provisioning document or specification referred to below and the Schedule, the Schedule shall control.

(End of clause)

PGI 245.103-70 Government Furnished Property

(a) The Government will provide only that property set forth below, notwithstanding any provisions of the specifications to the contrary:

Description	QTY	Date Provided	Location
NTCDL External Data User Interface (EDUI) Software	1	29 Mos After Contract	Contractor Facility

		Award	
NTCDL Link Management Software	1	29 Mos After Contract Award	Contractor Facility
NTCDL Installation and Test Support Device (ITSD) (EDM)	1	36 Mos After Contract Award	Contractor Facility
NTCDL Mini form factor Cryptographic Core Module	27	9 Mos After Contract Award	Contractor Facility
NTCDL LRIP Mini form factor Cryptographic Core Module	48	30 days After LRIP Option Exercised	Contractor Facility
KEYMAT (Type TBD)	1	9 Mos After Contract Award	Contractor Facility
Key Fill Device (Type TBD)	1	9 Mos After Contract Award	Contractor Facility
Fill Cable (Type TBD)	1	9 Mos After Contract Award	Contractor Facility

Note: No additional Government Furnished Material will be added to this clause after contract award. If vendors want to suggest added GFP/GFM, it must be done prior to RFP proposal due date.

(b) Disposition Instructions: Upon completion of the Contract or until GFP is no longer necessary, the contractor shall notify the PCO to provide inventory disposition schedule 30 days after property items are no longer needed or 60 days after contract completion.

(c) Restriction of Use: The contractor is not authorized to use the GFP listed herein for any other purpose than the contracting effort, unless otherwise authorized in writing by the contracting officer.

(End of clause)

SECTION I - CONTRACT CLAUSES

The following have been added by reference:

52.216-7	Allowable Cost And Payment	JUN 2013
52.216-10	Incentive Fee	JUN 2011
252.234-7001	Notice of Earned Value Management System	APR 2008

SECTION J - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

The following have been modified:

LIST OF ATTACHMENTS

- Attachment 1 – NTCDL System Performance Specification (SPS) NTCDL-SPS-1004M-1.0 Amendment 0002
- Attachment 2 – Statement of Work (SOW) NTCDL-SOW-1005M-1.0 Amendment 0002
- Attachment 3 – DoD Contract Security Classification Specification (DD254)
- Attachment 4 – Contract Data Requirements List (CDRLs) Amendment 0001
- Attachment 5 - Small Business Contracting Plan – **To Be Included After Contract Award**
- Attachment 6 – Past Performance Questionnaire/Survey
- Attachment 7 – Relevant Experience Form
- Attachment 8 – Cost Spreadsheets/Work Breakdown Structure (WBS) Amendment 0001
- Attachment 9 – NTCDL RF Use Case Instructions

SECTION L - INSTRUCTIONS, CONDITIONS AND NOTICES TO BIDDERS

The following have been added by full text:

L-339 NOTICE OF ORGANIZATIONAL CONFLICT OF INTEREST (DEC 1999)

- (a) The offeror's attention is directed to FAR Subpart 9.5 relating to organizational conflicts of interest.
- (b) If applicable, prospective offerors are requested to furnish with their proposals information that may have a bearing on any existing or potential conflict of interest.

(End of provision)

SECTION M - EVALUATION FACTORS FOR AWARD

The following have been modified:

M-307 EVALUATION CRITERIA AND BASIS FOR AWARD (BEST VALUE) (DEC 1999)

- (a) The contract resulting from this solicitation will be awarded to that offeror whose offer, conforming to the solicitation requirements, is determined to provide the "best value" to the Government. The "best value" determination will be based on the merits of the offer and the offeror's capability. The "best value" may not necessarily be the proposal offering the lowest cost, nor receiving the highest technical rating. As specified in FAR 52.215-1, "Instructions to Offerors--Competitive Acquisition," the Government intends to evaluate proposals and award a contract without discussions. An offer must be acceptable for the offeror to be eligible for award.
- (b) **Mandatory Requirement** - Offers that take exception to, or do not conform to the requirements stated herein or do not respond to the mandatory requirement will be determined unacceptable and will be

rejected without further evaluation. Government will confirm proposed Link Margins are greater than or equal to 2.0 dB for all nine (9) link budget use cases.

(c) Proposals will be rated and ranked on the Evaluation Factors listed below. It should be noted that cost is not a numerically weighted Factor. Although non-cost Factors, when combined, are significantly more important than cost, cost is an important Factor and should be considered when preparing responsive proposals. The importance of cost as an Evaluation Factor will increase with the degree of equality of the proposals in relation to the remaining Evaluation Factors. When the offerors within the competitive range are considered essentially equal in terms of technical capability, or when cost is so significantly high as to diminish the value of the technical superiority to the Government, cost may become the determining Factor for award. In summary, cost/technical trade-offs will be made, and the extent to which one may be sacrificed for the other is governed only by the tests of rationality and consistency with the established evaluation factors.

(d) Minimum Requirements - List of Factors and Subfactors

FACTOR 1: TECHNICAL APPROACH

Subfactor 1.1: Waveforms

Subfactor 1.2: Radio Frequency (RF) Performance

Subfactor 1.3: Scalability and Modularity

Subfactor 1.4: System-Level Design

FACTOR 2: MANAGEMENT APPROACH

Subfactor 2.1: Program Management

Subfactor 2.2: Integrated Master Schedule

Subfactor 2.3: Data Rights

Subfactor 2.4: Small Business Utilization

FACTOR 3: PAST PERFORMANCE

FACTOR 4: COST/PRICE

Relative Importance of Evaluation Factors/ Subfactors

- Factors 1 – 4 are in descending order of importance. Factors 1 – 3 combined are significantly more important than Factor 4.
- All subfactors for FACTOR 1 and 2 are in descending order of importance.

(d) Evaluation of an offeror's proposal shall be based on the information presented in the proposal and information available to the contracting office from sources deemed appropriate. Sources typically considered include the DCAA and DCMA offices, other contracts with the same firms for similar items or services, known commercial sources such as Data Resources, Inc., Standard and Poor's, etc. Proposals which are unrealistic in terms of technical or schedule commitments, or unrealistically high or low in terms of cost, may be deemed to be reflective of an inherent lack of technical competence, or indicative of a failure to comprehend the complexity and risks of the proposed work and may be grounds for rejection of the proposal. If the proposed contract requires the delivery of data, the quality of organization and writing reflected in the proposal will be considered to be an indication of the quality of organization and writing which would be prevalent in the proposed deliverable data. Subjective judgment on the part of the Government evaluators is implicit in the entire process.

PROPOSAL EVALUATION

The Government's evaluation will consist of an analysis of offerors' proposals as follows:

FACTOR 1: TECHNICAL APPROACH

There are two types of NTCDL requirements addressed: Threshold requirements and Objective requirements. Threshold requirements, identified in the SPS, must be met by the NTCDL system. Objective requirements identified in the SPS, are goals of the NTCDL system. Accordingly, the Government will evaluate the extent to which the proposed system architecture and system design (including hardware, software and associated subassemblies) meet and/or exceed the performance, environmental, and interface requirements as provided in the NTCDL SPS, SOW, and the relevant incorporated references cited therein. In making this evaluation, the Government will evaluate the following four (4) Subfactors:

Subfactor 1.1 - Waveforms. The Government will evaluate the extent to which the Offeror's proposed NTCDL radio implementation satisfies the multiple waveform requirements as stated in Section L of the RFP. The Government will evaluate the effectiveness of the methods the Offeror plans to employ to insure Over the Air (OTA) interoperability of the waveforms. The Government will evaluate the completeness and effectiveness of the Offeror's proposal to support the radio and waveform interoperability verification as stated in Section L of the RFP.

Subfactor 1.2– Radio Frequency (RF) Performance. The Government will evaluate the extent to which the Offeror's proposed NTCDL RF performance satisfies the threshold requirements and any objective requirements as stated in Section L of the RFP. The Government will evaluate the TRLs to substantiate the materials presented in support of the RF performance requirements as stated in Section L of the RFP. The Government will evaluate the effectiveness of minimizing SWAP-C as well as design and implementation measures taken to ensure operation in a Maritime E3 environment as stated in Section L of the RFP. The Government may give strength(s) for providing higher Link Margin greater than or equal to 4.0 dB.

Subfactor 1.3 - Scalability and Modularity. The Government will evaluate the extent to which the Offeror's proposed NTCDL subsystems, racks and/or components interchangeably scale between Variants A-C as stated in Section L of the RFP. The Government will evaluate the effectiveness and modularity of the Offeror's proposed system architecture to include documented internal interfaces, the methods chosen to interconnect subsystems, and extensibility for future expansion of internal interface compliant subsystems with minimal impact on the existing system as stated in Section L of the RFP. The Government will evaluate how the Offeror's approach provides parts commonality between Variant A-C configurations as stated in Section L of the RFP.

Subfactor 1.4 – System-Level Design. The Government will evaluate how the Offeror's system-level design meets the performance requirements and any objective requirements as stated in Section L of the RFP.

FACTOR 2: MANAGEMENT APPROACH

The Government will evaluate the extent to which the offeror's management approach demonstrates its ability to meet the requirements of the SPS and SOW in accordance with Section L of the RFP. The Government will also evaluate management risks associated with the proposal with respect to the following four (4) Subfactors:

Subfactor 2.1 Program Management

The Government will evaluate the extent to which the offeror has demonstrated the ability to provide and implement a comprehensive management approach covering all aspects of this program as identified in Section L of the RFP.

Subfactor 2.2 Integrated Master Schedule

The Government will evaluate the extent to which the offeror's proposed IMS meets the requirements identified in Section L of the RFP.

Subfactor 2.3 Data Rights

The Government will evaluate the offeror's Sections B and K to determine the Technical Data/Computer Software (TD/CS) rights proposed for this contract and the extent to which "Government Purpose Rights" for Non-Commercial deliverables, and the Commercial equivalent of Government Purpose Rights (GPR) for commercial TD/CS, are provided to the Government. "Government Purpose Rights" are as defined in DFARS 252.227-7013 & 252.227-7014. The offeror may receive higher consideration for proposing to provide greater than "Government Purpose Rights" for Commercial and Non-Commercial TD/CS, and computer documentation delivered under this contract.

If offeror proposes less than GPR, then the Government will evaluate design based on the following:

- (1) The likelihood that the offeror's proposed approach will achieve interoperability and allow for sustainment of the NTCDL by the Government.
- (2) The extent to which the proposed solution utilizes open systems architecture to allow for ease of integration of new capabilities, modules, into NTCDL. Solutions employing OSA to the maximum extent possible are of more benefit to the Government.
- (3) The extent to which the Offeror's data rights delivery approach will meet the objectives identified in Section L of the RFP.

The Government will evaluate the extent to which the Offeror's system design minimizes reliance on proprietary, vendor unique, or closed software and/or hardware elements as identified in Section L. In the event that proprietary, vendor unique, or closed elements are included in the Offeror's system design, the Government will evaluate the Offeror's justification for selection of such components. The Offeror will receive favorable consideration for proposing a system design that minimizes reliance on proprietary, vendor unique, or closed elements.

Subfactor 2.4 Small Business Utilization

The Government will evaluate the extent to which the proposal documents (ISR formerly SF 294) the offeror's commitment to meet the stated small business subcontracting goals, identified in Section L of the RFP. The Government will evaluate the extent to which the proposal documents that the tasks assigned the selected Small Business subcontractors are meaningful in the overall success of the program and also broaden the subcontractor's technical capability. The Government will evaluate the extent to which the offeror has met small business subcontracting goals on prior contracts/orders.

The Government may consult various sources, including CPARS Assessments, Past Performance Questionnaires, the PPIRS and Electronic Subcontracting Reporting System (eSRS) databases, or any other relevant sources deemed appropriate to verify proposal statements. The evaluation of an offeror's

history of meeting subcontracting goals on prior contracts/orders will be evaluated under the past performance Factor 3.

If the Offeror is a small business concern they will receive a “neutral” rating for this subfactor. Furthermore, the small business Offeror is not required to submit a small business subcontracting plan. *The Small Business Subcontracting Plan is a separate requirement and is in addition to the information required to evaluate this Subfactor.*

FACTOR 3: PAST PERFORMANCE

The Government will assess an overall performance confidence assessment rating for the past performance of each offeror and/or proposed major subcontractor. The assessment will be an unbiased judgment about the quality of an offeror’s relevant past performance. The Government will use its subjective assessment to make a comparative assessment of an offeror’s capability. Past performance is a measure of the degree to which an offeror satisfied its customers in the past and complied with the statement of work, contract schedule, and contract terms and conditions. Past performance is also a measure of the risk of performance associated with the offeror.

There are two (2) aspects to the past performance evaluation. The first is to evaluate the offeror’s past performance to determine how relevant a recent effort accomplished by the offeror is to the effort to be acquired through this source selection. With respect to relevancy, more recent and relevant past performance will typically be a stronger indicator of future success and have more influence than the past performance of lesser relevancy and recency.

The second aspect of the past performance evaluation is to determine how well the contractor performed on prior relevant experiences. With respect to quality, the Government will consider the degree to which an Offeror satisfied its customers in the past and complied with the SPS and/or SOW and contract terms and conditions, including the:

- (1) Quality of Product or Service – Conformance to contract requirements, specifications, and standards of good workmanship; accuracy of reports; appropriateness of personnel; technical excellence;
- (2) Cost Control – Performance within budget; current, accurate, and complete billings; adherence of actual cost/rates to negotiated cost/rates; effective utilization of cost efficiency measures; adequacy of internal budgetary controls;
- (3) Schedule – Timeliness of performance; meeting of interim milestones; responsiveness to technical and contractual direction; timeliness of completion, including wrap-up and contract administration, with no liquidated damages assessed;
- (4) Business Relationships – Effectiveness of management; professionalism of correspondence and communications; responsiveness to contract requirements; reasonable/cooperative behavior; prompt notification of problems; presentation of flexible, proactive, and effective Contractor-recommended solutions; customer satisfaction; and
- (5) Key Personnel – How long key personnel were retained on the contract; whether contractor proposed substitute personnel that were unqualified to fulfill requirements; and the quality and relevancy of the products/services managed/generated by key personnel.

The Government may solicit information from an offeror's customers and business associates; Federal, state and local government agencies; and from other persons and organizations. The Government reserves the right to limit the number of references it decides to contact and to contact references other than those provided by the offeror. The evaluation will take into account the same type of information regarding major subcontractors proposed in the offeror's proposal.

Offerors that have no record of past performance (e.g., new businesses) must submit a signed and dated statement to that effect. If an offer submits a certification statement and the Government has no information available regarding the offeror's past performance, that offeror will receive a Unknown Confidence (neutral) rating (i.e., the offeror is evaluated neither favorably nor unfavorably) for past performance. If offerors (prime and major subcontractors) provide reference information that is not relevant and current, the offeror will receive a Unknown Confidence (neutral) past performance rating for those contracts.

FACTOR 4: COST/PRICE

The Government will perform an evaluation of all costs and prices proposed. This evaluation will consist of a Cost analysis, Cost Realism analysis, and Price analysis. The Government will arrive at a total evaluated proposed cost/price for each contractor by adding: (1) the total evaluated costs for the refined cost reimbursable CLINs derived from the cost analysis and cost realism analysis with target and incentive fee added as applicable, (2) the total evaluated prices for all of the Firm Fixed Price CLINs derived from the price analysis, and (3) the total costs for those cost reimbursable CLINs not refined.

(1) (i) Cost Proposal Analysis

(2) (1) The contractor's cost proposal, including all options, will be evaluated for completeness, realism, and reasonableness. The Government's objective is to assess how well the amount of effort proposed correlates to the proposed costs, and provides value to the Government given the proposed costs. For evaluation purposes, the Government may adjust the contractor's proposed cost based on its determination of the most probable costs to be incurred under the contract. Each contractor's evaluated cost (to include any subcontract effort) shall be computed by adding all Cost Reimbursable CLINs with incentive fee added as applicable and considering, among other things:

- a) The Government's independent cost estimate, cost trends and historical data (if available).
- b) An analysis of the contractor's identified staffing in the cost volume and their staffing relationship to program requirements in order to assess the degree to which the identified cost accurately represents the work effort required.
- c) If uncompensated overtime is included, whether the contractor has an accounting system approved by DCAA specifying uncompensated overtime.
- d) Whether the contractor's identified travel and other direct costs are the amounts consistent with the work to be performed.
- e) An analysis of the materials proposed.
- f) Direct labor rates and indirect rates recommended by DCAA/DCMA.

- g) Reasonableness of estimates generated by appropriately calibrated and validated parametric models or cost-estimating relationships.
- h) Verification that the contractor's cost submissions are in accordance with the contract cost principles and procedures in FAR Part 31 and, when applicable, the requirements and procedures in 48 CFR Chapter 99 (Appendix to the FAR loose-leaf edition), Cost Accounting Standards.
- i) Review to determine whether any cost or pricing data necessary to make the contractor's proposal accurate, complete, and current have not been either submitted or identified in writing by the contractor.
- j) Completeness of BOEs and supporting documentation.
- k) Adherence to cost/price proposal templates and guidance as provided in L.

(2) Cost realism will be performed as part of the proposal evaluation process. Cost realism analyses will be conducted in accordance with FAR 15.404-1(d) to determine probable costs. Cost realism analysis is the process of independently reviewing and evaluating specific elements of each contractor's proposed cost estimate to determine whether the estimated proposed cost elements are realistic for the work to be performed; reflect a clear understanding of the requirements; and are consistent with the unique methods of performance and materials described in the contractor's proposal. The purpose of this evaluation shall be (a) to verify the contractor's understanding of the requirements; (b) to assess the degree to which the cost proposal reflects the approaches and risk assessments made in the proposal as well as the risk that the contractor will provide the supplies and services for the offered cost; (c) assess the degree to which the cost included in the cost proposal accurately represents the work effort included in the proposal, and (d) other cost related information available to the contracting officer such as previous cost history information. Proposed costs may be adjusted for purposes of evaluation, based upon the results of the cost realism evaluation. The resulting estimate will be used in the evaluation of cost.

Uncompensated Overtime Evaluation

i) The use of uncompensated overtime is defined in FAR 52.237-10 "Identification of Uncompensated Overtime" is discouraged by the Government. Based upon our assessment of the technical services required herein, it is unrealistic to expect long-term employees to continually work in excess of the industry norm of 40 hours per week. Therefore, the use of uncompensated overtime in this acquisition presents a significant risk to the Government.

ii) Contractors are advised that if uncompensated overtime is proposed, the alternate cost breakdown specified in Section L, paragraph 2.3.4.2.1.2 "Uncompensated Overtime and Professional Employees", will be used for cost evaluation purposes. **THUS, NO EVALUATION ADVANTAGE WILL RESULT WHEN UNCOMPENSATED OVERTIME IS PROPOSED.**

(3) (ii) Price Analysis (Firm Fixed Price CLINs)

The Government will perform a price analysis on all of the Firm Fixed Price CLINs including all priced options. The Government will arrive at a single total evaluated price by adding the prices from:

- (1) The completed table at Section L as determined by multiplying the Quantity Column A with Unit Price Column B to arrive at a Total Evaluated Price for that CLIN, and then adding all of those

evaluated prices for all CLINs (in so doing the Government will also verify that the unit price for that given quantity in table is also the same price for that quantity in Section B),

(2) The Firm Fixed Price CLINs in Section B not already included in Section L,

(3) In addition to evaluating the prices proposed, the Government will evaluate the extent to which evidence of unbalanced pricing exists, either between CLINs or between different quantities within one CLIN that may render a proposal unacceptable. Although application of learning curves or allocation of non-recurring costs may cause variations in unit prices, the Contractor should explain such variations that occur between CLINs or between different quantities within one CLIN.

ADJECTIVAL RATINGS

In evaluating proposals, the Government will assign a rating of Outstanding, Good, Acceptable, Marginal, or Unacceptable or Neutral (Past Performance only). Risk will be integrated at the Factor level.

The adjectival ratings for Factor 1 Technical Approach and Factor 2 Management Approach are defined below:

A) OUTSTANDING: Proposal meets requirements and indicates an exceptional approach and understanding of the program goals/objectives, resources, schedules, and other aspects essential to performance of the program. Strengths far outweigh any weaknesses. Risk of unsuccessful performance is very low.

B) GOOD: Proposal meets requirements and indicates a thorough approach and understanding of the program goals/objectives, resources, schedules, and other aspects essential to performance of this requirement. Proposal contains strengths which outweigh any weaknesses. Risk of unsuccessful performance is low.

C) ACCEPTABLE: Proposal meets requirements and indicates an adequate approach and understanding of the program goals/objectives, resources, schedules, and other aspects essential to the performance of this requirement. Strengths and weaknesses are offsetting or will have little or no impact on contract performance. Risk of unsuccessful performance is no worse than moderate.

D) MARGINAL: Proposal does not clearly meet requirements and has not demonstrated an adequate approach and understanding of the program goals/objectives, resources, schedules, and other aspects essential to the performance of this requirement. The proposal has one or more weaknesses which are not offset by strengths. Risk of unsuccessful contract performance is high.

E) UNACCEPTABLE: Proposal does not meet requirements and contains one or more deficiencies. Proposal is unawardable.

The adjectival ratings for Factor 3 Past Performance are defined below:

Past Performance Relevancy Ratings

There are two aspects to the past performance evaluation. The first is to evaluate the offeror's past performance to determine how relevant a recent effort accomplished by the offeror is to the effort to be acquired through the source selection.

There are four levels of relevancy as shown below. With respect to relevancy, more relevant past performance will typically be a stronger predictor of future success and have more influence on the past performance confidence assessment than past performance of lesser relevance.

A) Very Relevant: Present/past performance effort involved essentially the same scope and magnitude of effort and complexities this solicitation requires.

B) Relevant: Present/past performance effort involved similar scope and magnitude of effort and complexities this solicitation requires.

C) Somewhat Relevant: Present/past performance effort involved some of the scope and magnitude of effort and complexities this solicitation requires.

D) Not Relevant: Present/past performance effort involved little or none of the scope and magnitude of effort and complexities this solicitation requires.

The second aspect of the past performance evaluation is to determine how well the contractor performed on the contracts. The past performance evaluation process gathers information from customers on how well the offeror performed those past contracts. Requirements for considering history of small business utilization is outlined at FAR 15.304(c)(3)(ii) and DFARS 215.305(a)(2). In conducting a performance confidence assessment, each offeror shall be assigned one of the ratings below.

Performance Confidence Assessments

A) Substantial Confidence: Based on the offeror's recent/relevant performance record, the Government has a high expectation that the offeror will successfully perform the required effort.

B) Satisfactory Confidence: Based on the offeror's recent/relevant performance record, the Government has a reasonable expectation that the offeror will successfully perform the required effort.

C) Limited Confidence: Based on the offeror's recent/relevant performance record, the Government has a low expectation that the offeror will successfully perform the required effort.

D) No Confidence: Based on the offeror's recent/relevant performance record, the Government has no expectation that the offeror will be able to successfully perform the required effort.

E) Unknown Confidence (Neutral): No recent/relevant performance record is available or the offeror's performance record is so sparse that no meaningful confidence assessment rating can be reasonably assigned.

Definitions

The following provide details on the pertinent definitions used with evaluation ratings:

Major Strength: A benefit that appreciably increases the ability to successfully perform contract requirements.

Strength: A benefit in the proposal that increases the ability to successfully perform the contract. It is that part of a response, which enhances the Offeror's ability to meet the Government's requirements or

results in efficient or effective performance. Strengths are typically above-average quality personnel, facilities, organizational experience, management, past performance, and technical capabilities that may cause the Offeror to perform the work more cost-effectively and successfully meet requirements.

Weakness: A flaw in the proposal that increases the risk of unsuccessful contract performance. It is that part of a response, which detracts from the Offeror's ability to meet the Government's requirements or results in inefficient or ineffective performance. Weaknesses are typically less-than-average quality personnel, facilities, organizational experience, management, past performance, and technical capabilities that may cause the Offeror to perform the work less cost-effectively or not to meet requirements.

Significant Weakness: A flaw that appreciably increases the risk of unsuccessful contract performance.

Risk. Risk is the potential for unsuccessful contract performance. The consideration of risk assesses the degree to which an offeror's proposed approach to achieving the technical factor or subfactor may involve risk of disruption of schedule, or degradation of performance, and the need to increased Government oversight.

Deficiency. Any part of a response that fails to meet a material Government requirement as established in the solicitation (e.g., omits data making it impossible to assess compliance with the evaluation factors, or contains ambiguities which must be resolved before an assessment of compliance can be made, takes exception to any of the terms and conditions of the solicitation; thereby, rendering the offer unacceptable or offers something that does not meet the RFP requirements), or a combination of major weaknesses in a proposal that increases the risk of unsuccessful contract performance to an unacceptable level.

(End of provision)

(End of Summary of Changes)