

United States Air Force, Utilities Privatization



Request for Proposal (RFP) SP0600-09-R-0806

February 12, 2009

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SOLICITATION, OFFER AND AWARD 1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700) RATING PAGE 6 OF 93 PAGES

2. CONTRACT NUMBER 3. SOLICITATION NUMBER SP0600-09-R-0806 4. TYPE OF SOLICITATION SEALED BID (IFB) NEGOTIATED (RFP) 5. DATE ISSUED 2/12/09 6. REQUISITION/PURCHASE NUMBER

7. ISSUED BY CODE Defense Energy Support Center Attn: DESC-EB 8725 John J. Kingman Road, Suite 3830 8. ADDRESS OFFER TO (If other than Item 7) Attn: Laurie Carlson, DESC-EB 8725 John J. Kingman Road, Suite 3830 Ft. Belvoir, VA 22060-6222

NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder".

SOLICITATION

9. Sealed offers in original and 1 copies for furnishing the supplies or services in the Schedule will be received at the place specified in Item 8, or if handcarried, in the depository located in Suite 3830 until 03:00 local time 13 May 09 (Hour) (Date)

CAUTION - LATE Submissions, Modifications, and Withdrawals: See Section L, Provision No. 52.214-7 or 52.215-1. All offers are subject to all terms and conditions contained in this solicitation.

10. FOR INFORMATION CALL: A. NAME Caitlin Quinn B. TELEPHONE (NO COLLECT CALLS) AREA CODE NUMBER EXT. 703 767 7657 C. E-MAIL ADDRESS Caitlin.Quinn@dla.mil

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OFFER (Must be fully completed by offeror)

NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16, Minimum Bid Acceptance Period.

12. In compliance with the above, the undersigned agrees, if this offer is accepted within 300 calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

13. DISCOUNT FOR PROMPT PAYMENT (See Section I, Clause No. 52.232-8) 10 CALENDAR DAYS (%) 20 CALENDAR DAYS (%) 30 CALENDAR DAYS (%) CALENDAR DAYS (%)

14. ACKNOWLEDGMENT OF AMENDMENTS (The offeror acknowledges receipt of amendments to the SOLICITATION for offerors and related documents numbered and dated):	AMENDMENT NO.	DATE	AMENDMENT NO.	DATE

15A. NAME AND ADDRESS OF OFFEROR CODE FACILITY 16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or print)

15B. TELEPHONE NUMBER AREA CODE NUMBER EXT. 15C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE. 17. SIGNATURE 18. OFFER DATE

AWARD (To be completed by Government)

19. ACCEPTED AS TO ITEMS NUMBERED 20. AMOUNT 21. ACCOUNTING AND APPROPRIATION

22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: 10 U.S.C. 2304(c) 41 U.S.C. 253(c) 23. SUBMIT INVOICES TO ADDRESS SHOWN IN (4 copies unless otherwise specified) ITEM

24. ADMINISTERED BY (If other than Item 7) CODE 25. PAYMENT WILL BE MADE BY CODE

26. NAME OF CONTRACTING OFFICER (Type or print) Laura J. Carlson 27. UNITED STATES OF AMERICA (Signature of Contracting Officer) 28. AWARD DATE

IMPORTANT - Award will be made on this Form, or on Standard Form 26, or by other authorized official written notice.

SECTION B

Supplies or Services and Prices/Costs

B.1 Clauses and Provisions

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

B.2 Scope and Purpose

B.2.1 General

B.2.1.1 SCOPE: The Government seeks offerors to assume ownership of the electric, water, and wastewater utility systems located on Minot (AFB) North Dakota and infrastructure specified in Section B.3, *Systems to be Privatized*, (the “system(s)” or “utility system(s)”), and as the new owner, to operate and maintain the systems and provide utility services to the Government. The Offeror shall furnish all necessary labor, management, supervision, permits, equipment, supplies, materials, transportation, and any other incidental items or services required for the complete ownership of and provision of utility services via these utility systems, including operation, maintenance, repair, upgrade, and improvement of the systems. Assumption of ownership and provision of utility services shall be performed in accordance with all terms, conditions, and special contract requirements, specifications, attachments, and drawings contained in this solicitation or incorporated by reference.

Offerors are not required to offer on all of the utility systems specified in B.3. Offers may be submitted on individual system(s) or on groups of systems on an all or none basis. For all offers, whether grouped or not, the Offeror shall provide a separate price schedule for each contract line item. Offers on grouped systems that do not include a separate price schedule for each line item will not be considered for award. For purposes of economic comparison required by 10 U.S.C. §2688, each system will be analyzed separately. Offerors are advised that if any individual system within a grouped offer does not satisfy the economic criteria for award that grouped offer will not be considered for award.

B.2.1.2 DURATION: The period of performance is anticipated to be 50 years from the contract start date, provided that the Government finds that a 50 year period is cost effective pursuant to 10 U.S.C. §2688(d)(2).

B.2.1.3 TYPE OF CONTRACT: The Government contemplates award of either a Regulated Tariff, Firm-Fixed Price, Fixed-Price with Economic Price Adjustment, or Fixed-Price with Prospective Price Redetermination contract resulting from this solicitation.

(FAR 52.216-1)

B.2.2 Statutory Directive

The sale of the utility system is authorized by and conducted under 10 U.S.C § 2688. The sale of the utility system is not an acquisition and therefore is not subject to the FAR and its supplements. A copy of 10 U.S.C. § 2688 is provided as Attachment J45 to this Request for Proposals (RFP). The purchase of utility services is an acquisition and will be governed by the FAR and its applicable supplements.

B.2.3 Program Goal

The desired goal of this transaction is to transfer all right, title, and interest of the United States in and to the utility systems on Minot Air Force Base (AFB), North Dakota. Consequently, the United States will retain no reversionary interests in the utility system sold, other than the terms regarding the repurchase option and rights of access. The sale will be documented by the Bill of Sale, see

Attachment J42 to this RFP. The utility system being sold includes all equipment, fixtures, structures, and other improvements utilized in connection with the utility system, which will be more specifically described in the Bill of Sale. The divestiture will not include the real property upon, under, or around the utility system. The utility system being sold is as identified in the Bill of Sale and does not include any other property. In addition to the sale of the utility system identified in the Bill of Sale, the Government will also acquire utility services from the transferee.

Acquisition of utility services will be conducted in accordance with the FAR and its applicable supplements and as set forth in this RFP. Regardless of the length of the utility services contract, the sale of the utility system is in perpetuity.

B.2.4 Notices and Reservations

B.2.4.1 The Government will only acquire utility services if it sells the utility systems. It can only sell the utility systems if it determines that (1) the long-term economic benefit of the conveyance to the United States exceeds the long-term economic cost of the conveyance to the United States, and (2) the conveyance will reduce the long-term costs of the United States for utility services provided by the utility system concerned. Award, if at all, will only be made by the duly authorized execution of the utility services contract and this contract will be contingent upon the actual conveyance of the system. If for any reason conveyance does not occur, the Government's termination liability will be limited to transition costs.

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

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

B.2.4.4 The property being sold in this action will be as described in the Section J utility specific attachments of the solicitation. The system will be sold in an "as is, where is" condition without any warranties, representations, or obligation on the part of the Government to make any alterations, repairs, or improvements. Any proposal that offers an alternative description of the property being sold may be deemed technically unacceptable.

B.2.4.5 OFFERORS REQUESTING INFORMATION REGARDING THIS SOLICITATION SHALL CONTACT THE CONTRACTING OFFICER ONLY. CONTACTS TO OTHER GOVERNMENT PERSONNEL OR NON-GOVERNMENT ADVISORS ARE PROHIBITED. The Contracting Officer or his/her representatives are the only persons authorized to contact offerors, and the Contracting Officer is the only person authorized to release information regarding an ongoing Source Selection. Refer questions or communications concerning this solicitation directly to the Contracting Officer noted in Block 8 of SF 33. (E-mail is the preferred method.)

B.2.4.6 Facsimile offers will not be accepted. The Government encourages alternative proposals that add value when compared with the requirements in the RFP. Please refer to Section L, Alternate Proposals and Exceptions to Terms and Conditions, for more information.

B.2.4.7 Copies of the solicitation are available on the DESC web site at <http://www.desc.dla.mil/DCM/DCMPage.asp?pageid=246>. Maps and other technical data will be made available to Offerors in the Technical Libraries.

B.2.4.8 Offerors are required to submit Technical Proposal, Cost Proposal, Past Performance, and Contract Documentation as outlined in Section L of the solicitation. Offerors are also required to submit a fully

completed SF 33. Offerors must acknowledge receipt and acceptance of all amendments to the solicitation. In accordance with Section L, Alternate Proposals and Exceptions to Terms and Conditions, any exceptions must be stated with specificity. This may be done by both signing and returning the amendment immediately after issuance, or by written acknowledgment of receipt and acceptance as part of the proposal submission package.

B.2.4.9 PRE-PROPOSAL CONFERENCE: A pre-proposal conference will be held on or about March 5, 2009. Specific information regarding this conference will be provided at the following DESC web site: <http://www.desc.dla.mil/DCM/DCMPage.asp?pageid=246> or by contacting Caitlin Quinn at (703) 767-7657 or John Hildreth at (703) 767-8671.

In order to make the conference as productive as possible, Offerors are requested to submit any questions in writing (electronic mail is preferred) by February 27, 2009 to:

Defense Energy Support Center
ATTN: Caitlin Quinn
8725 John J. Kingman Road, Suite 3830
Fort Belvoir, VA 22060-6222

E-mail: Caitlin.Quinn@dla.mil
Phone: (703) 767-7657
Fax: (703) 767-2382

B.2.4.10 SMALL BUSINESS OFFICE: For questions regarding small business matters, contact Ms. Lula Manley at (703) 767-9400 or 1-800-523-2601.

B.2.4.11 SMALL BUSINESS SUBCONTRACTING: Information on potential small business subcontractors can be found at the following website maintained by the Small Business Administration: http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm

B.2.5 Selection of a Contractor

Selection of a Contractor will be based on a best value determination consistent with the evaluation factors described in Section M, Evaluation Factors for Award. Pursuant to the provisions of Section L, Information to Offerors, and FAR 52.215-1, the Government may evaluate and award without discussions. However, the Government reserves the right to conduct discussions if determined necessary. Therefore, Offerors are encouraged to submit their best offer as their initial offer.

B.3 Systems to be Privatized

The utility systems shown in Schedule A, represent the utility systems included in this solicitation for privatization:

SCHEDULE A
Utility System

Installation	Utility System
Minot AFB, North Dakota	Electric
Minot AFB, North Dakota	Water
Minot AFB, North Dakota	Wastewater

B.4 Price Proposal

Offerors must complete Price Schedules and accompanying Price Schedule Data Sheets that are consistent within the pricing methodology they propose:

Proposal	Section	Price Schedule	Price Schedule Data Sheets
Regulated Tariff Rate (Includes Special Contracts)	B.4.1	B1	Schedules 1 & 2 (If separately identified in tariff) Schedules 3, 4, and 5
Firm-Fixed-Price	B.4.2	B2	Schedules 1, 2, 3, 4, 5
Fixed-Price with Economic Price Adjustment	B.4.3	B3	Schedules 1, 2, 3, 4, 5
Fixed-Price with Prospective Price Redetermination	B.4.4	B4	Schedules 1, 2, 3, 4, 5

B.4.1 Regulated Tariff Rate Proposal

Available to offerors proposing regulated rates. Offerors are encouraged to provide service in accordance with their standard methods of service and standard service practices. It is acceptable for regulated utilities to submit an offer contingent upon regulatory approval, provided a proposed timeframe for approval is provided.

SCHEDULE B-1 REGULATED TARIFF ^a

Payment by the Government for Utility Service

Minot Air Force Base, North Dakota		
	Utility System: _____	
CLINs	Supplies/Services	Tariff/Schedule/Rate
0001	Applicable Tariff(s) ^a (See B.5.1) Monthly Credit as Payment for Purchase Price (see B.5.2). \$ _____ Monthly Credit _____ # months _____ Interest Rate TOTAL FOR CLIN 0001	\$ _____ \$ _____ \$ _____
0002	Initial System Deficiency Corrections / Connection Charges ^b (See B.5.3 and B.7.4 (Schedule 3). This amount should not be included in the price offered for CLIN 0001.)	\$ <u>Varies</u> – See Schedule 3
0003	Recoverable Portion of Purchase Price ^b (See B.5.4 and B.7.5 (Schedule 4). This amount should not be included in the price offered for CLIN 0001.)	\$ <u>Varies</u> – See Schedule 4
0004	Transition Period (See B.5.5 and B.7.4 (Schedule 3). This amount should not be included in the price offered for CLIN 0001.)	\$ _____ See Schedule 3

^a Utility system to be filled in by the Offeror. A B-1 must be completed for each utility system offered. Utility systems are shown in Schedule A paragraph B.3, *Systems to be Privatized*. Offerors shall provide a comprehensive description of proposed tariffs in their Price Proposals. See B.5.1.

^b CLINs 0002 and 0003 are required only if the tariff provides for separate identification of initial system deficiency corrections, connection charges, and the recoverable portion of the purchase price. If separate identification is not provided, it will be assumed the tariff rate includes these costs.

NOTE:

The Purchase Price, Recoverable Portion of the Purchase Price, interest rate and amortization period are proposed by the Offeror.

B.4.2 Firm-Fixed Price Proposal

SCHEDULE B-2

Payment by the Government for Utility Service

Minot Air Force Base, North Dakota		
	Utility System ^a : _____	
CLINS	SUPPLIES/SERVICES	MONTHLY SERVICE CREDIT/CHARGE
0001	Utility Service Charge (see B.6.1 and B.7.2) The Contractor shall provide utility service in accordance with Section C, <i>Descriptions, Specifications, and Work Statement</i> . ^b Fixed Term (Months): _____ Monthly Credit as Payment for Purchase Price. (see B.6.2) \$ _____ Monthly Credit _____ # of months _____ Interest Rate TOTAL FOR CLIN 0001	\$ _____ \$ _____ \$ _____
0002	Initial System Deficiency Corrections / Connection Charges (See B.6.3 and B.7.4 (Schedule 3). This amount should not be included in the price offered for CLIN 0001.)	\$ <u>Varies</u> – See Schedule 3
0003	Recoverable Portion of Purchase Price (See B.6.4 and B.7.5 (Schedule 4). This amount should not be included in the price offered for CLIN 0001.)	\$ <u>Varies</u> – See Schedule 4
0004	Transition Period (See B.6.5 and B.7.4 (Schedule 3). This amount should not be included in the price offered for CLIN 0001.)	\$ _____ See Schedule 3
<p>^a Utility system to be filled in by the Offeror. A B-2 must be completed for each utility system offered. Utility systems are shown in Schedule A paragraph B.3, <i>Systems to be Privatized</i>.</p> <p>^b The Offeror should enter the Utility Service Charge, as computed in Schedule 1 (see B.7.2).</p> <p>NOTE: The Purchase Price, Recoverable Portion of the Purchase Price, interest rate and amortization period are proposed by the Offeror.</p>		

B.4.3 Fixed-Price Economic Price Adjustment Proposal

SCHEDULE B-3

Payment by the Government for Utility Service

Minot Air Force Base, North Dakota		
	Utility System ^a : _____	
CLINS	SUPPLIES/SERVICES	MONTHLY SERVICE CREDIT/CHARGE
0001	Utility Service Charge (see B.6.1 and B.7.2) The Contractor shall provide utility service in accordance with Section C, <i>Descriptions, Specifications, and Work Statement</i> . ^b <i>INDEX FOR ESCALATION (Year 1 THROUGH Year N)</i> <i>Internet Location of Index</i> _____ <i>Adjustment Methodology (e.g. Annual or Monthly)</i> _____ Monthly Credit as Payment for Purchase Price. (see B.6.2) \$ _____ Monthly Credit _____ # of months _____ Interest Rate TOTAL FOR CLIN 0001:	\$ _____ \$ _____ \$ _____
0002	Initial System Deficiency Corrections / Connection Charges (See B.6.3 and B.7.4 (Schedule 3). This amount should not be included in the price offered for CLIN 0001.)	\$ <u>Varies</u> – See Schedule 3
0003	Recoverable Portion of Purchase Price (See B.6.4 and B.7.5 (Schedule 4). This amount should not be included in the price offered for CLIN 0001.)	\$ <u>Varies</u> – See Schedule 4
0004	Transition Period (See B.6.5 and B.7.4 (Schedule 3). This amount should not be included in the price offered for CLIN 0001.)	\$ _____ See Schedule 3
<p>^a Utility system to be filled in by the Offeror. A B-3 must be completed for each utility system offered. Utility systems are shown in Schedule A paragraph B.3, <i>Systems to be Privatized</i>.</p> <p>^b The Offeror should enter the Utility Service Charge, as computed in Schedule 1 (see B.7.2). In their Price Proposals, offerors shall provide a thorough explanation of the price index they propose and describe their proposed methodology for adjusting prices. (see B.6.7, <i>Economic Price Adjustment Index Methodology</i>).</p> <p>NOTE: The Purchase Price, Recoverable Portion of the Purchase Price, interest rate and amortization period are proposed by the Offeror.</p>		

B.4.4 Fixed-Price with Prospective Price Redetermination Proposal

SCHEDULE B-4

Payment by the Government for Utility Service

Minot Air Force Base, North Dakota		
	Utility System ^a : _____	
CLINS	SUPPLIES/SERVICES	MONTHLY SERVICE CREDIT/CHARGE
0001	Utility Service Charge (see B.6.1 and B.7.2) The Contractor shall provide utility service in accordance with Section C, <i>Descriptions, Specifications, and Work Statement</i> . ^b Monthly Credit as Payment for Purchase Price. (see B.6.2) \$_____ Monthly Credit _____ # of months _____ Interest Rate TOTAL FOR CLIN 0001:	\$ _____ \$ _____ \$ _____
0002	Initial System Deficiency Corrections / Connection Charges (See B.6.3 and B.7.4 (Schedule 3). This amount should not be included in the price offered for CLIN 0001.)	\$ <u>Varies</u> – See Schedule 3
0003	Recoverable Portion of Purchase Price (See B.6.4 and B.7.5 (Schedule 4). This amount should not be included in the price offered for CLIN 0001.)	\$ <u>Varies</u> – See Schedule 4
0004	Transition Period (See B.6.5 and B.7.4 (Schedule 3). This amount should not be included in the price offered for CLIN 0001.)	\$ _____ See Schedule 3
<p>^a Utility system to be filled in by the Offeror. A B-4 must be completed for each utility system offered. Utility systems are shown in Schedule A paragraph B.3, <i>Systems to be Privatized</i>.</p> <p>^b The Offeror should enter the Utility Service Charge, as computed in Schedule 1 (see B.7.2).</p> <p>NOTE: The Purchase Price, Recoverable Portion of the Purchase Price, interest rate and amortization period are proposed by the Offeror.</p>		

B.5 Service Charges for Schedule B-1

B.5.1 CLIN 0001: Applicable Tariff(s)

Offerors proposing tariff rate offers shall include a comprehensive description of the tariff in their price proposal. The Offeror shall propose a tariff rate or rates no less favorable than that offered to similarly situated utility customers. The Offeror shall provide an explanation of the tariff, identify the buildings to which it applies, and identify any assumptions regarding service quantity and quality. The Offeror shall also describe the regulatory process, if any, which will govern future rate changes. The total monthly price will be the Applicable Tariff(s) less the Monthly Credit as Payment for Purchase Price, as defined in the following paragraph.

B.5.2 CLIN 0001: Monthly Credit as Payment for Purchase Price

The monthly credit is the monthly portion of the purchase price that will be credited to the Government over the number of months proposed by the offeror. The purchase price is the product of the monthly credit (without interest) multiplied by the number of months the Government will receive the credit (CLIN 0001). The credit will be applied to the applicable tariff, as defined in CLIN 0001.

B.5.3 CLIN 0002: Initial System Deficiency Corrections/Connection Charges

Initial System Deficiency Corrections (ISDC)/Connection Charges are all nonrecurring costs to be paid by the Government to the contractor. These nonrecurring costs include costs required to bring the system up to industry/regulatory standards and costs for new connections/disconnections to be accomplished during the transition period. See footnote (b) on Schedule B-1.

The following applies if ISDCs/connection charges are priced separately from the tariff rate. The requirement to perform an ISDC/Connection may originate from either a Government identified requirement, in which case the project will be listed in the relevant Utility Specific Attachment in Section J of this solicitation, or as a result of the Offeror's determination that the ISDC/Connection is necessary to meet legally applicable regulatory requirements, or to achieve the standards typically maintained by the Offeror on its utility systems. The Offeror must provide rationale to support any projects the Offeror proposes.

The Offeror shall provide price information for ISDCs/Connections. Information to support the price proposed for ISDCs/Connections shall include project name, the interest rate, total ISDC project cost, the first full month project will be put into service, the amortization period, and the monthly charge associated with each ISDC/connection. This information shall be provided in Schedule 3 (See B.7.4).

If not encompassed in a tariff rate, the price of each ISDC proposed by the Offeror in Schedule 3 of the Price Proposal will be added to the Utility Service Charge, for the number of months indicated, when the ISDC is put in useful service.

The price for each ISDC/Connection is fixed. The price for each ISDC/Connection will be amortized over the term proposed by the Offeror in the Price Proposal. With every monthly invoice that includes a request for payment for an Initial System Deficiency Correction identified in Schedule 3, the Contractor shall submit an amortization schedule. The amortization schedule shall specify for each ISDC the principal and interest components of each monthly payment the number of the payment (of the total payments required), and the remaining principal balance.

B.5.4 CLIN 0003: Recoverable Portion of the Purchase Price

See footnote (b) on Schedule B-1. The recoverable portion of the utility system purchase price will be listed in Schedule 4 (See B.7.5) for the relevant utility system. The recoverable portion of the utility system purchase

price will be added to the Utility Service Charge for the relevant utility system. The recoverable portion of the purchase price will be recovered in accordance with the amount and number of months agreed to by the parties.

B.5.5 CLIN 0004: Transition Period

The Offeror shall provide price information for the Transition Period in accordance with Section C, *Transition Plan*. The price for the Transition Period is fixed. The information to support the price proposed for the Transition Period shall include all costs associated with the Transition Plan. The Government agrees to pay for the Transition Period with the method proposed by the Offeror and accepted by the Government. This information shall be provided in Schedule 3 (See B.7.4).

B.6 Service Charges for Schedules B-2, B-3, and B-4

B.6.1 CLIN 0001 – Utility Service Charge

The Utility Service Charge is the fully built up monthly charge to the Government for provision of utility services, including operations and maintenance and renewals and replacements (Schedules 1-2)(see B.7.2 and B.7.3).

Note for Schedule B-4 Offers: Prices proposed for CLIN 0001 identified in Schedules 1-2 shall be based on expected price levels during the first two years of operation. The effect of price inflation on costs incurred in years subsequent to the first 2 years of operation will be considered as part of the price redetermination process defined in Section I, *FAR 52.216-5: Price Redetermination - Prospective (Oct 1997)*.

B.6.2 CLIN 0001: Monthly Credit as Payment for Purchase Price

The monthly credit is the monthly portion of the purchase price that will be credited to the Government over the number of months proposed by the offeror. The purchase price is the product of the monthly credit (without interest) multiplied by the number of months the Government will receive the credit (CLIN 0001). The credit will be applied to the Utility Service Charge, as defined in CLIN 0001.

B.6.3 CLIN 0002: Initial System Deficiency Corrections / Connection Charges

Initial System Deficiency Corrections (ISDC)/Connection Charges are all nonrecurring costs to be paid by the Government to the contractor. These nonrecurring costs include costs required to bring the system up to industry/regulatory standards and costs for new connections/disconnections to be accomplished during the transition period. The requirement to perform an ISDC may originate from either a Government identified requirement, in which case the project will be listed in the relevant Utility Specific Attachment in Section J of this solicitation, or as a result of the Offeror's determination that the ISDC/Connection is necessary to meet legally applicable regulatory requirements, or to achieve the standards typically maintained by the Offeror on its utility systems. The Offeror must provide rationale to support any projects the Offeror proposes.

The price for each ISDC/Connection is fixed. The price for each ISDC/Connection will be amortized over the term proposed by the Offeror in the Price Proposal. With every monthly invoice that includes a request for payment for an ISDC identified in Schedule 3, the Contractor shall submit an amortization schedule. The amortization schedule shall specify for each ISDC the principal and interest components of each monthly payment the number of the payment (of the total payments required), and the remaining principal balance.

The Government may make a lump sum payment for any or all capital investment costs that would normally be recovered through CLIN 0002. Lump sum payments, minus prepayment expenses permitted under the FAR, will reduce the remaining unpaid principal in the amortization schedule established for CLIN 0002. The amortization schedule will be recalculated based on the new, reduced principal amount amortized over the number of months remaining in the original amortization schedule. The interest rate used in the recalculated amortization will be the same as that used in the original amortization schedule.

B.6.3.1 Accounting for System Deficiency Corrections/Upgrades/Connection Charges

B.6.3.1.1 Initial System Deficiency Corrections/Connections

The price for each Initial System Deficiency Correction/Connection is fixed and is not subject to renegotiation under the clause referenced in Section I, FAR 52.216-5: Price Redetermination - Prospective (Oct 1997). The price for each ISDC/connection will be amortized as proposed by the offeror in Schedule 3 of the Price Proposal, will start the month after the ISDC/connection is put in useful service, and may reflect principal and interest. With every monthly invoice that includes a request for payment for an ISDC/connection identified in Schedule 3, the Contractor shall submit an amortization schedule. The amortization schedule shall specify for each ISDC the additional monthly payment to be included in addition to the Utility Service Charge and the number of the payment (of the total payments required).

B.6.3.1.2 Future System Deficiency Corrections/Upgrades

Future System Deficiency Corrections (SDCs)/upgrades for which the government agrees to pay in accordance with Section C, *SDCs/Upgrades/Connections and Renewals and Replacements*, will be in addition to the Utility Service Charge for the number of months agreed upon when the SDC/Upgrade is put in useful service. With every monthly invoice that includes a request for payment for such an SDC/Upgrade, the contractor will include an amortization schedule. The amortization schedule shall specify for each SDC/Upgrade the additional monthly payment included in addition to the Utility Service Charge and the number of the payment (of the total payments required). For regulated utilities submitting pricing using Schedule B-1, additional payments will be reflected in changes to the tariff or special contract rate in CLIN 0002, Schedule B-1.

If new SDCs/Upgrades are required as a result of a change in service requirements, the monthly service charge may be re-negotiated, at any time, in accordance with FAR 52.243-1, *Changes -Fixed-Price-Alt 1* or FAR 52.241-7 *Changes in Rates or Terms and Conditions of Service for Regulated Services* as applicable.

B.6.4 CLIN 0003: Recoverable Portion of the Purchase Price

The recoverable portion of the utility system purchase price will be listed in Schedule 4 (see B.7.5) for the relevant utility system. The recoverable portion of the utility system purchase price will be in addition to the Utility Service Charge or the Monthly Service Charge for the relevant utility system. The recoverable portion of the purchase price will be recovered in accordance with the amount and number of months agreed to by the parties.

B.6.5 CLIN 0004: Transition Period

The Offeror shall provide price information for the Transition Period in accordance with Section C, *Transition Plan*. The price for the Transition Period is fixed. The information to support the price proposed for the Transition Period shall include all costs associated with the Transition Plan. The Government agrees to pay for the Transition Period with the method proposed by the Offeror and accepted by the Government. This information shall be provided in Schedule 3 (See B.7.4).

B.6.6 Total Monthly Charges

The total monthly charge will be the sum of the Utility Service charge, the Initial System Deficiency Corrections, the Connections, the recoverable portion of the purchase price and the transition period costs minus the credit for payment of the purchase price. The Utility Service Charge will be a monthly charge for the duration of the contract. All other charges/credits will be monthly charges/credits only for the duration of the amortization period proposed by the offeror.

B.6.7. Economic Price Adjustment Index Methodology

In any offer proposing a Fixed-Price with Economic Price Adjustment, offerors shall specify the index or indices they propose as a price adjustment mechanism. Offerors shall explain why the index proposed was selected, comprehensively describe the working of the price adjustment mechanism including the timing of adjustments and the composition of the base, and provide a sample calculation.

B.6.7.1 Review of Indices

An index proposed pursuant to B.6.7 above may be replaced in the event:

- A. It is discontinued or its method of derivation is altered substantially.
- B. The index is published by the Federal Government and the Federal Government ceases to publish said index or changes its method of quoting prices; or
- C. The index consistently and substantially fails to reflect market conditions.

B.7 Price Schedule Data Sheets

B.7.1 General

Please note that Schedules 1 and 2 (see B.7.2 and B.7.3) are not necessary for offerors proposing a Schedule B-1 Regulated Tariff Proposal. All other offerors must provide the following:

For purposes of comparison to the Government Should Cost Estimate (GSCE) and to facilitate price/cost realism analysis of the operations and maintenance component of the monthly service charge, the Offeror shall clearly establish a direct correlation between the price listed in Schedule 1 (see B.7.2) and the operations and maintenance plan provided in accordance with Section L, *Operations and Maintenance/Quality Management Plan*. The Offeror shall provide detailed pricing data for all labor (direct and indirect), materials and procurement costs, insurance, equipment, general and administrative, overhead costs, and any other cost identified by the Offeror.

Renewals and Replacements are defined in Section C, *SDCs/Upgrades/Connections and Renewals and Replacements*. Renewals and Replacement are investments in the utility system to renew or replace system components that fail or reach the end of their useful life. For the Renewals and Replacements component of the monthly service charge, the Offeror shall establish a 50-year schedule for renewals and replacements of major system components given the information available in this solicitation, technical library, through site visits, and other pertinent information. The 50-year schedule for renewals and replacements shall be established as shown in Schedule 2 (see B.7.3) in current dollars (see note at B.6.1). For purposes of comparison to the GSCE and to facilitate price/cost realism analysis, the Offeror shall clearly establish a direct correlation between the applicable J-section inventory, the 50-year schedule for renewals and replacements and the renewals and replacements component of the Utility Service Charge presented in Schedule 1. If the correlation includes a residual value at the end of the 50-year schedule, the Offeror shall clearly demonstrate the basis for the residual value.

B.7.2 Schedule 1 – Utility Service Charge

Component	Monthly Charge
1. Operations and Maintenance (O&M)	
2. Renewals and Replacements (R&R)	
Total Utility Service Charge (to be entered into CLIN 0001 for Schedules B-2, B-3, B-4)	

B.7.4 Schedule 3 – Initial System Deficiency Correction(s) / Connection Charge(s)/Transition Period

Project Name	Interest Rate	Project Cost (Constant \$)	First Full Month Project will Be In Service	Amortization Period (Months)	Monthly Charge

B.7.5 Schedule 4 –Recoverable Portion of Purchase Price

Item	Interest Rate	Amount	Amortization Period (Months)	Monthly Charge
Recoverable Portion of Purchase Price				

Section C

Description/Specifications/Work Statement

C.1 Precedence

In accordance with FAR 52.215-8, any inconsistency in this solicitation or contract shall be resolved by giving precedence in the following order: (a) The Schedule (excluding the specifications); (b) Representations and other instructions; (c) Contract clauses appearing in the solicitation or contract; (d) Contract clauses incorporated by reference; (e) Other documents, exhibits, and attachments; and (f) The specifications.

C.2 Scope and Purpose

C.2.1 General

The Government is conveying the utility systems identified in this solicitation. Subsequent to the conveyance of the utility systems, the Government will acquire the corresponding utility services from the contractor as the new owner of the system. The Government is requesting proposals for the purchase of the utility systems listed in Section B.3, the conveyance of the infrastructure, and the acquisition of the identified utility services. The conveyance of the utility system and the acquisition of utility services are both subject to the terms and conditions of this solicitation. The Government will consider the purchase of commodities with the privatization offer(s) on a case-by-case basis. Offerors shall discuss and quantify to the extent practicable other possible long-term costs and benefits to the United States, especially if the conveyance affects separate contract relationships, particularly for commodities.

C.2.2 Program Goal

The desired goal of the conveyance is to transfer all rights, title, and interest of the United States in and to the utility systems listed in Section B.3. The transfer of title will be accomplished at some point after contract award, provided that full transfer is the intended consequence. Utilities Privatization includes two documents: (1) the terms and condition of the contract, which includes the Right of Access; and, (2) the Bill of Sale. The Bill of Sale will be incorporated by reference into the contract. The utility system being sold includes equipment, fixtures, structures, and other improvements utilized in connection with the utility system, which will be more specifically described in the Bill of Sale. The divestiture will not include the real property upon, under, or around the utility system. The utility system being sold is as identified in the Bill of Sale and does not include any other property.

C.2.3 Utility Service Providers

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

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

If a change in the service requirement necessitated by compliance with later imposed/modified laws and regulations constitutes reasonable cause for an adjustment to the service charge, the charge will be adjusted in accordance with FAR 52.243-1, *Changes -Fixed-Price-Alt 1* or FAR 52.241-7 *Changes in Rates or Terms and Conditions of Service for Regulated Services* as applicable.

C.2.4 Utility Systems

Attachments are included in Section J for the utility systems listed in Section B.3 and are herein referred to as “utility-specific attachments.” Each utility-specific attachment provides details specific to each Installation utility system and requirement. Upon contract award(s), the appropriate attachments will be included in the contract and the others will be removed.

C.2.5 Current Service Arrangement

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

C.3 Requirement

C.3.1 Utility Service Requirement

Subject to the terms and conditions in this RFP, the Contractor shall furnish all facilities, labor, materials, tools, and equipment necessary to provide utility service.

The Contractor shall manage, control, and perform operations, maintenance, repairs, replacements, expansions, and incidentals on its utility system so as to provide reliable and dependable utility service to each Government or tenant connection within the service area (see Section C, *Service Area*) 24 hours each and every day. The Contractor shall be responsible for providing capital investments and all other resources required to own, maintain, and operate its utility system(s) in a safe and reliable condition, and to meet all the requirements listed herein.

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

C.3.2 Performance Standards

Unless otherwise provided for in this contract, the Contractor shall provide utility service(s) in accordance with industry-standard construction, operations, maintenance, management, environmental, safety, and other relevant standards, that apply to similarly situated utility service providers serving customers whose service characteristics are comparable to the service characteristics of the Installation.

The Contractor shall comply with all applicable Federal, state, and local laws/regulations and Installation specific requirements as defined in the utility-specific and Site Specific attachments (Section J), in performing its duties under the contract(s). The Contractor shall identify and incorporate standards and specifications in its Operations and Maintenance/Quality Management Plan, Section C, *Operations and Maintenance/Quality Management*.

C.3.3 Sub- Metering

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

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

All costs for providing, installing, reading, reporting, and maintaining the existing and additional meters shall be the responsibility of the Contractor. Contractors are encouraged to incorporate remote meter reading technology.

C.3.3.1 Future Sub-Meters

The Contractor shall provide, install, read, maintain, and calibrate sub-meters requested by the Government for any purpose throughout the contract period. Installation of and responsibility for future sub-meters (not on the system at the time of sale or identified for installation as part of the service contract) may constitute reasonable cause for an initial installation charge and a service charge adjustment in accordance with FAR 52.243-1, *Changes -Fixed-Price-Alt 1* or FAR 52.241-7 *Changes in Rates or Terms and Conditions of Service for Regulated Services* as applicable.

C.3.3.2 Sub-Meter Calibration

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

C.3.4 Energy and Water Efficiencies and Conservation

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

The Contractor agrees to take no action that will negatively impact these projects without prior approval of the Contracting Officer. Additionally, the Government reserves the ability to enter into any future energy- and water-savings projects with the goal of reducing Government costs. The Contractor will facilitate the implementation of any such future energy and water savings projects. Projects implemented by the Government that will require changes in the privatized system shall be coordinated between the parties prior to implementation.

The Contractor is encouraged to propose SDCs/Upgrades to the Government that will increase the overall efficiency of the utility system. Efficiency SDCs/Upgrades shall be proposed to the Government in accordance with Section C, *SDCs/Upgrades/Connections and Renewals and Replacements*. The Government may consider cost-savings sharing and incentives either through service charge adjustments or lump-sum payments.

C.3.5 Energy/Water Commodity Supply

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

Offerors may submit an alternative proposal that includes the supply of commodities other than natural or manufactured gas (See Section L, *Alternative Proposals and Exceptions to Terms and Conditions*). Such offers will be considered on a case-by-case basis. The Government will remain the customer of record and retain ownership of all commodities transported and distributed through the Contractor-owned systems unless otherwise provided in the contract.

C.3.6 Wastewater Effluent Disposal

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

C.4 Service Area

The service area is defined as all areas within the Government installation boundaries and any other facilities and property boundaries under the control of the Installation as defined in the utility-specific attachments (Section J). Within the service area and upon the Government's request, the Contractor shall provide utility service to all existing and new customers. At any time, by written order, the Contracting Officer may designate any location within the service area where utility service under this contract shall commence or be discontinued. Any service charge adjustment as a result of these actions will be in accordance with FAR 52.243-1, *Changes -Fixed-Price- Alt 1* or FAR 52.241-7 *Changes in Rates or Terms and Conditions of Service for Regulated Services* whichever is applicable.

C.4.1 Use of Distribution Systems to Serve Areas Outside the Installation Service Area

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

C.4.2 Joint Use

C.4.2.1 Government Use

The Government may have property and equipment installed on or attached to poles, conduits, pipes, duct banks, towers, buildings, and other portions of the utility systems to be transferred. The Government reserves the right to continue to use the property to be transferred for this purpose, to enter on the transferred property to maintain, repair, operate, upgrade, and replace its property and equipment, and to install new government equipment. Any upgrade or replacement of such installed or attached property shall be made only after coordinating with the Contractor. Any upgrade or replacement of such installed or attached property shall comply with all applicable safety regulations.

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

C.4.2.2 Commercial Use

C.4.2.2.1 The Contractor shall enter into joint use agreements with the Installation's telephone company, cable television company and other service providers in accordance with applicable law and regulation.

C.4.2.2.2 Certain system components may have third party equipment attached pursuant to a lease or other contractual arrangement between the third party and the installation. The Contractor will take ownership of these components subject to such lease(s), with any revenue continuing to accrue to the installation until the lease(s) expire or are otherwise terminated at the discretion of the installation. Any

new lease(s), lease extensions, or other arrangements between the Contractor and any third party to permit attachment of third party equipment to system components must be approved by the installation and may be subject to revenue sharing, all of which must be negotiated with the installation under separate agreement.

C.5 Utility System Ownership, Personnel, and Security

C.5.1 Utility System Ownership

C.5.1.1 Transfer of Title

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

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

C.5.1.2 Tools, Vehicles, and Equipment

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

C.5.1.3 Placement of Utility System

The Contractor shall comply with requests from the Installation regarding the placement of new or renewal utility systems either overhead or underground, unless to do so would cause the Contractor to violate any applicable law or regulation or would be inconsistent with sound utility operational practices. Requests for placement, which differ from normal utility practice, may be reimbursable under FAR 52.243-1, *Changes -Fixed-Price-Alt 1* or FAR 52.241-7 *Changes in Rates or Terms and Conditions of Service for Regulated Services* whichever is applicable.

C.5.1.4 Contractor Facilities

The Contractor, at its expense, shall acquire, furnish, install, and operate and maintain all facilities required to provide the utility service(s) hereunder. The Contractor shall have title to all facilities it builds and equipment it installs under this contract, except as otherwise specifically provided. If available and at the Government's sole discretion, the Contractor may be permitted to either build or lease office space, maintenance shops, materials storage/staging areas or other facilities on the installation.

The Contractor will be responsible for acquiring all utilities, janitorial services, building maintenance, and ground maintenance for these facilities. The Government may, if its capabilities permit, consent to provide certain of these services to the Contractor on a reimbursable basis.

New construction or remodeling existing facilities shall comply with the Installation's architectural standards and be fully coordinated with the Installation prior to beginning construction (see Section J for list of available facilities).

C.5.1.5 Record Drawings

The Contractor shall maintain record drawings for all existing and new facilities installed by the Contractor within the service area. Upon reasonable request and with reasonable notice, the Government may use and copy such drawings. The Contractor shall provide available drawings to the Government in the form of CAD-CAM disks using the latest release software compatible with Government systems at no

cost to the Government. The Contractor will also provide information to allow for updates to the Installation Geographical Information System (GIS). The Contractor shall identify changes to and update utility system maps in both hard copy (full size) and electronic media formats to insure delineation of all contractor facilities within one year of contract award and annually thereafter as necessary.

C.5.1.6 Disposition of Removed or Salvaged Materials

The removal and disposition of facilities and materials that are not used and useful for the purpose of providing utility service(s) shall be the responsibility of the Contractor. The Contractor shall notify the Contracting Officer when removing hazardous substances in accordance with Section H., *Hazardous Substances* and the Site Specifications outlined in Section J. Abandoned plant items not identified on existing maps but found during operations shall be documented on the drawings. In order to prevent hazardous conditions, the Contractor shall be responsible for ensuring that no interconnections exist between abandoned and utilized facilities.

C.5.1.7 Liens and Mortgages

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

C.5.2 Personnel

For purposes of this paragraph, the term "personnel" or "employee(s)" refers to any person performing work related to this contract, including but not limited to, the Contractor's employees, agents, representatives, or subcontractors. The Contractor shall not permit any personnel to work under this contract if such person is identified to the Contractor as a potential threat to the health, safety, security, general well being, or operational mission of the Installation or population. All personnel will comply with installation security, health and safety conditions.

The Contractor will allow the Installation to review on a continuing basis a listing of all personnel engaged in providing utility service to the Installation. The listing will provide sufficient information on all personnel to allow precise Government identification of each individual.

C.5.2.1 Speaking, Reading, and Understanding English

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

C.5.2.2 Personnel Appearance and Identification

The Contractor's personnel shall present a neat appearance and be readily recognized as Contractor personnel. If required by the Installation, the Contractor shall ensure each employee obtains from Security Forces an identification card that shall include at a minimum the employee's name, photograph, and Contractor's name. Each employee shall follow established Installation procedures for displaying their identification card while within the boundaries of the Installation.

C.5.2.3 Employee Certification

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

C.5.2.4 Installation's Rules Apply to Contractor

Rules, regulations, direction, and requirements issued by the Installation, or other command authorities, under their responsibility for good order, administration, and security, including Site Specifications as outlined in Section J, apply to all personnel who enter the Installation or who travel by Government transportation.

C.5.2.5 National Agency Check

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

C.5.2.6 Controlled Access Areas

The Contractor shall apply for personnel security clearances required for performance after the contract is awarded. Personnel requiring access to secured areas or restricted areas under the control of the Installation shall comply with applicable regulations. The Government reserves the right to terminate the entry of any employee upon disclosure of information that indicates the individual's continued entry to the Installation is not in the best interests of national security. Additionally, violation of, or deviation from, the established security procedures by the Contractor's personnel may result in the confiscation of identification media and the denial of future entry to the Installation.

C.5.2.7 Conflict of Interest

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

C.5.2.8 Employment of Military Personnel

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

C.5.2.9 Employment of Quality Assurance Representative Personnel

The Contractor is prohibited from employing Quality Assurance Representatives (QAR) whom the Contractor knows or should know are responsible for monitoring any contracts/subcontracts awarded to the Contractor.

C.5.3 Contractor Vehicles

All Contractor vehicles shall be readily identifiable. Identification shall include displaying Contractor name in a clear and unobstructed location on the vehicle.

C.5.4 Contractor Radios

Prior to operating communications devices, including but not limited to two-way, portable, or landmobile devices, on the Installation, the Contractor shall obtain approval of the Installation Communication Group

by requesting an available clear frequency. The Contractor shall follow all Installation procedures for operating radios on the Installation in accordance with Department of Defense FAR Supplement (DFARS) 252.235-7003, *Frequency Authorization*.

C.5.5 Contractor Advertising

The Contractor shall not place or display (nor permit a third party to place or display) advertising of any kind on government property or on the Contractor's property located on the installation. Reasonable markings on the contractor's property, including vehicles, for the purpose of identifying it as the Contractor's property are permitted.

C.6 Access to the Utility System

C.6.1 General

The Contractor shall have reasonable access to the Installation (Premises) to accomplish its duties and responsibilities under the Contract. Such access is subject to the general supervision and control of the Installation's commander and his duly authorized representatives. In accepting the rights, privileges, and obligations established hereunder, the Contractor recognizes that the Installation serves the national defense and that the Government will not permit the operation, construction, installation, repair, and maintenance of a utility system and the provision of utility services to interfere with the Installation's military mission.

C.6.2 Right of Access

This Installation is an operating military installation that is closed to the public and is subject to the provisions of the Internal Security Act of 1950, 50 U.S.C. § 797, and of 18 U.S.C. § 1382. Access to the Installation is subject to the control of its Installation Commander and is governed by such regulations and orders as have been lawfully promulgated or approved by the Secretary of Defense or by any designated military commander. Any access granted to the Contractor, its officers, employees, contractors of any tier, agents, and invitees is subject to such regulations and orders. This Right of Access is subject to all regulations and orders currently promulgated or which may be promulgated by lawful authority as well as all other conditions contained herein. Such regulations and orders may, by way of example and not by way of limitation, include restrictions on who may enter, how many may enter at any one time, when they may enter, and what areas of the Installation they may visit, as well as requirements for background investigations, including those for security clearances, of those entering. The Contractor is responsible for the actions of its officers, employees, contractors of any tier, agents, and invitees while on the Installation and acting under this Right-of-Access.

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

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

C.6.2.1 Condition of the Premises

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

C.6.2.2 Alteration of Premises

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

C.6.2.3 Government Access

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

C.6.2.4 Other Grants of Access

This Right-of-Access is subject to all outstanding easements, rights-of-way, leases, permits, licenses, and uses for any purpose with respect to the Premises. The Government shall have the right to grant additional easements, rights-of-way, leases, permits, and licenses, and make additional uses with respect to the Premises. However, any such additional easements, rights-of-way, leases, permits, licenses, or uses shall not be inconsistent with the Contractor's use of the Premises under this Right-of-Access. Any interference with the use of or damage to property under control of the Department of the Air Force incident to the exercise of the rights and privileges herein granted shall be promptly corrected by the Contractor to the satisfaction of the Installation Commander. If the Contractor fails to promptly repair or replace any such property after being notified to do so by the Installation Commander, said officer may repair or replace such property and Contractor shall be liable for the costs of such repair or replacement.

C.6.2.5 Restoration of Premises

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

C.7 Response to Service Interruptions/Contingencies and Catastrophes

The Contractor shall employ sound utility practices to ensure continuous, dependable, and reliable utility service and to minimize the scope and length of any service disruption. If an installation has a specific response time requirement then it will be identified in the technical Section J for each utility system.

In accordance with Section L, *Proposal Preparation Instructions – Volume I: Technical Proposal*, the Contractor shall develop and maintain a Service Interruption/Contingency and Catastrophic Loss Plan. The Plan shall define procedures and provisions for reacting to all service interruptions. The Plan shall address possible causes for interruption including, but not limited to, acts of God/ natural disasters, human error, equipment failure, employee strikes, cease and desist orders, and Notice of Violations (NOVs) issued by any regulatory agency. The Contractor may propose standard operating procedures broadly applicable across its customer base as its Service Interruption/Contingency and Catastrophic Loss Plan.

The Contractor shall maintain and update the Service Interruption/Contingency and Catastrophic Loss Plan as necessary and adhere to its requirements throughout the contract term. It shall not be materially altered without the Government's prior consent. However, the Contractor need not seek the Government's consent prior to immaterial alterations in such procedures.

In the event the Installation has an Emergency Restoration Plan that prioritizes service restoration, the Contractor shall adhere to the priority list established by the plan.

C.8 Repair Response Procedures

The Contractor shall identify to the Government and implement clearly defined procedures by which Installation personnel can submit service requests to the Contractor. The Contractor also shall clearly identify any difference in service request procedures that apply to routine, urgent, and emergency matters. The Government will be responsible for disseminating such procedures within the Installation. The Contractor shall provide a local or toll-free telephone number by which it can be contacted 24 hours a day, 7 days a week, for service requests. This number will connect the Government to a local dispatcher or equivalent supervisor capable of estimating Contractor repair crew arrival time. The Government will assign "emergency", "urgent", or "routine" designations when contacting the Contractor with a service call in accordance with the defined procedures.

The Contractor shall maintain records of all service request calls, documenting the time of the call, time of service response, cause of request, and action taken (including time and date completed). Such records shall be retained for 2 years, and may be reviewed by the Contracting Officer upon reasonable notice. If the request affects building operations, the Contractor shall coordinate all work with the person responsible for the building or facility. The Government will provide the Contractor with a list of Government representatives and the buildings or facilities for which they are responsible.

C.8.1 Notification Procedures

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

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

C.8.2 Emergency Service Requests

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

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

C.8.3 Urgent Service Requests

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

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

C.8.4 Routine Service Requests

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

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

C.9 Coordination of Work

C.9.1 Routine Work

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

Notification shall include date, time of outage, a list of buildings that will be affected and the estimated time until the service will be restored. The Contractor shall also notify building occupants in advance of outage.

C.9.2 Routine, Urgent, and Emergency Service Requests

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

C.9.2.1.Scheduled Utility Service Interruptions

The Installation reserves the right to reschedule Contractor work requiring service interruption at any time if such interruption might materially adversely affect the Installation's missions and operations. If an interruption is rescheduled, the parties shall coordinate a mutually acceptable alternative time for the scheduled service interruption. Scheduled utility outages may be required to occur after normal working hours to lessen the inconvenience to Installation mission critical functions. Only designated Government representatives may request utility service interruption. The Contractor will refer any other service interruption requests to a designated Government representative.

C.9.3 Construction and Restoration of Site

The Contractor will ensure that proper temporary facilities and controls are in place during any construction and other work it performs that could affect installation activities. All work must include temporary facilities and control measures to facilitate the flow of vehicular, emergency, and pedestrian traffic to include the following: high-intensity reflectorized signs, barricades, temporary sidewalks, fencing, and traffic cones. Once work is complete, the contractor will restore the area to an equal or better condition. Site restoration requires proper waste cleanup, removal, and disposal; replacement of cracked pavement and sidewalks; proper repair and sealing of utility cuts both on improved and unimproved land and roadways; replacement of loam or topsoil; top dressing by hand; lawn bed preparation; hydro air seeding, mulch, fertilizer and shrub replacement.

C.9.3.1.Excavation Permits

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

C.9.3.2. Underground Utility Location

At the request of the Installation, the Contractor shall be responsible for locating underground utility system components in support of the Installation's excavation permit process. Requests for line location shall be responded to within three (3) working days of the request at no additional cost to the Government.

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

C.9.4 Working Hours

Normal working hours shall be Monday-Friday (0730-1600). All routine work shall be accomplished during normal working hours. The Government must approve deviations from these working hours.

C.9.5 Coordination Meetings

The Contractor shall be available for meetings as reasonably required by the Contracting Officer.

C.9.6 Exercises and Crisis Situations Requiring Utility Support

The Contractor shall respond to Installation emergency and crisis situations and exercises that require utility support. The Contractor shall respond to these events with qualified personnel and equipment as soon as possible after notification. Participation may be in a simulated capacity equal to other participants. In no case will response be longer than those requirements listed in Section C, *Emergency Service Requests*. The Contractor shall advise and assist the on-scene commander until the event is terminated. Extra work effort under these circumstances may entitle the Contractor to equitable adjustment in accordance with FAR 52.243-1, *Changes -Fixed-Price-Alt 1* or FAR 52.241-7 *Changes in Rates or Terms and Conditions of Service for Regulated Services* as applicable.

C.9.7 Emergency Operation

The Government reserves the right to perform or supplement performance of contract functions with Government designated personnel during periods of disaster and emergency that affects the installation and prevents the Contractor from fulfilling its obligations under the contract. The Government shall coordinate with the Contractor and obtain authorization before supplementing the Contractor's performance in these circumstances. Such authorization shall not be unreasonably withheld.

C.9.8 Non Performance and Abandonment

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

C.9.9 Plant Control

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

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

C.10 Environmental Compliance

The Contractor shall comply with all applicable environmental laws and regulations including Installation specific requirements.

C.10.1 Permit Compliance

Once ownership of the utility system is transferred, the Contractor shall be the party of record for all environmental permits related to operating the system. Thereafter, the Contractor shall be responsible for obtaining any new or revised permits needed to operate and maintain the utility system. The Government shall remain the party of record for any applicable permits prior to the transfer of ownership, as defined by Section C, *Transition Plan*, and for those permits that are not transferable.

C.10.2 Spill Contingencies

The Contractor shall adopt the procedures of the Installation Spill Contingency Plan or shall submit to the Contracting Officer for review and acceptance a Contractor developed Spill Contingency Plan. A Contractor-developed plan shall be prepared in accordance with the National Response Team's Integrated Contingency Plan Guidance (<http://www.epa.gov/emergencies/guidance.htm#oneplan>).

C.10.3 Work in Environmentally Sensitive Areas

The Contractor shall comply with Installation procedures and standards for work in and around environmentally sensitive or contaminated property. Prior to accessing any environmentally sensitive areas, the Contractor shall coordinate with the designated Government Representative.

C.10.4 Environmental Impact Assessments

Modification of the utility system(s) on Government installations may require an environmental impact assessment in accordance with environmental impact analysis process applicable to the Installation. The Contractor shall be responsible for preparing all documents necessary for conducting this assessment in coordination with the Government.

C.10.5 Hazardous Material and Waste Minimization

Hazardous materials used in utility system operation and maintenance shall be handled in accordance with applicable laws and regulations. Appropriate Material Safety Data Sheets (MSDS) shall accompany all hazardous materials used on the Installation. The Contractor shall submit copies of MSDS to the Contracting Officer's Representative (COR), and retain a copy of each MSDS on-site. The Contractor shall maintain a viable hazardous waste minimization program that includes making every effort to identify non-hazardous or less hazardous materials than those currently in use and recycling versus disposing of consumable wastes.

C.10.6 Environmental Response

The Contractor shall be responsible for accomplishing at no cost to the Government any environmental response required as a result of the Contractor's activities. The Government may require the Contractor to perform, but the Contractor shall not be responsible for the cost of, remediation for preexisting environmental conditions. Unexploded ordnance shall be considered a preexisting environmental condition.

C.10.7 Asbestos and Lead-based Paint

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

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

C.10.8 Environmental Restoration Program

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

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

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

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

C.11 SDCs/Upgrades/Connections and Renewals and Replacements

C.11.1 Due Diligence Adjustment

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

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

C.11.2 SDCs/Upgrades/Connections and Renewals and Replacements

C.11.2.1 Initial System Deficiency Corrections/Connection Charges

Initial System Deficiency Corrections/connection charges are those necessary to reach the standards typically maintained by the Contractor on its utility systems, so that subsequent renewals and replacements will permit the long-term safe and reliable operation of the utility system. All ISDCs/Connections shall be listed in the first submittal of the Initial System Deficiency Corrections and Renewals and Replacements Plan, as part of the offer. Any ISDCs/Connections proposed to remedy Government identified deficiencies listed in Section J, shall be complete within 5 years of the contract start date. The Government reserves the right to buy down a previously amortized ISDC/connection at no penalty to the Government.

C.11.2.2 Future System Deficiency Corrections/Connection Charges

Future System Deficiency Corrections (SDC)/connection charges are investments in the utility system resulting from changes in service requirements, laws, or regulations. Future SDCs/connection charges may also include the implementation of new technologies.

C.11.2.3 Renewals and Replacements

Renewals and replacements are investments in the utility system to renew or replace system components that fail or reach the end of their useful life.

C.11.2.4 Annual System Deficiency Corrections/Upgrades/Connections and Renewals and Replacements Plan

The Contractor shall prepare and submit an Annual System Deficiency Corrections (SDC)/Upgrades/Connections and Renewals and Replacements Plan that identifies SDC/Upgrades/Connections and major renewals and replacements the Contractor intends to accomplish. The Annual SDC/Upgrades/Connections and Renewals and Replacement Plan shall contain a proposed SDC/Upgrade/Connection list for each of the next 5 years. The plan shall be structured as follows:

- Year 1 shall include detailed SDC/Upgrade/Connection information including site plans, cost estimates, SDC/Upgrade/Connection schedules, and an analysis of the impact of construction on Installation operations and the environment, and shall address safety requirements.
- Years 2-5 shall include SDC/Upgrade/Connection lists with SDC/Upgrade/Connection descriptions, order-of-magnitude estimates, and proposed site plans.
- The Initial System Deficiency Correction/Upgrade/Connection and Renewals and Replacements Plan included in the proposal shall describe Initial System Deficiency Corrections/Upgrades/Connections and initial renewals and replacements in the same detail as required for Year 1.

Unless the Contracting Officer provides written notification of an alternate date, the first Annual SDC/Upgrades/Connections and Renewals and Replacements Plan shall be submitted no later than **May 31** of the first full fiscal year following contract award. Thereafter, the plan shall be submitted no later than **May 31** of each year. The Plan shall be submitted to the Government representative designated in Section G.

C.11.2.5 SDCs/Upgrades

The Contractor may propose SDC/Upgrades in the Annual SDC/Upgrade/Connection and Renewal and Replacement Plan (Future SDC/Upgrades/Connections). The Government reserves the right to determine at its discretion whether it will pay for any portion of proposed SDC/Upgrades/Connections. Future SDC/Upgrades/Connections required to comply with requirements and standards imposed by law that have changed during the contract term will be paid subject to the availability of funds. Approved SDC/Upgrades and improvements identified in the SDC/Upgrades/Connections and Renewals and Replacements Plan will be paid, in accordance with Section B, *Service Charges for Schedule B-1*, or Section B, *Service Charges for Schedules B-2, B-3, and B-4*, when accomplished. The Government reserves the right to pay for any SDC/Upgrade/Connection as a lump-sum payment rather than by amortizing the SDC/Upgrade/Connection costs.

C.11.2.6 Renewals and Replacements

Renewals and replacements identified in the SDC/Upgrades/Connection and Renewal and Replacement Plan will be paid in accordance with Schedules 1 and 2 and Section B, *Service Charges for Schedule B-1*, or Section B, *Service Charges for Schedules B-2, B-3, and B-4*.

C.11.2.7 Requirements and Standards

The SDC/Upgrades/Connections and Renewals and Replacements Plan shall include an assessment of any new or revised standards and clearly address planned system improvements or operational changes needed to comply with such standards.

C.11.2.8 Anticipated Connections and Disconnections

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

C.11.3 Connections and Disconnections

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

If a connection or disconnection constitutes reasonable cause for a change in service charge, the rate will be re-negotiated in accordance with FAR 52.243-1, *Changes -Fixed-Price-Alt 1* or FAR 52.241-7 *Changes in Rates or Terms and Conditions of Service for Regulated Services* whichever is applicable.

C.11.3.1 Temporary Connections

The Contractor shall extend temporary service to the Government or Contractors performing work on the Installation when requested by the Government.

The Government will identify the party responsible for reimbursing the Contractor for temporary connections or utility usage. The Contractor shall provide the following information regarding any temporary service connections:

1. Name of the temporary customer
2. Cost
3. Date of Installation
4. Expected duration of the connection

5. Description of the connection, including route and type of material
6. POC, Title and Phone Number

C.11.3.2 Permanent Connections

(a) *Charge.* In consideration of the Contractor furnishing and installing at its expense any new connecting facilities requested by the Government, the Government may pay the Contractor a mutually agreed upon connection charge. Any payment will be in a form agreed to by the parties and as permitted by applicable law. When the Government requests new connecting facilities, including work necessary to increase the capacity of existing facilities, the Contractor shall submit a detailed proposal identifying the work necessary to provide the required utility services, any proposed connection charge, and the proposed change in the monthly utility service fee that will go into effect upon completion and placement into service of the new connecting facilities.

Payment for connection charges may be made as a line item under this contract or directly by the requesting party, however, regardless of payment method, the terms and conditions of this contract shall control. As a condition precedent to final payment, the Contractor shall execute a release of any claims against the Government arising under or by the virtue of such installation. Proposed changes to the monthly utility service fee(s) must be approved in advance by the Contracting Officer, regardless of the payment vehicle utilized for the connection charge.

(b) *Ownership, operation, maintenance and repair of new facilities to be provided.* The facilities to be supplied by the Contractor under this clause, notwithstanding the payment by the Government of a connection charge, shall be and remain the property of the Contractor and shall, at all times during the life of this contract or any renewals thereof, be operated, maintained, and repaired by the Contractor at its expense. All taxes and other charges in connection therewith, together with all liability arising out of the construction, operations, maintenance, or repair of such facilities, shall be the obligation of the Contractor.

(c) *Credits.*

(1) Where the Government is part of the Contractor's general rate base and the Contractor subsequently includes the cost of the connecting facilities in its general rate base, the Contractor agrees to allow the Government, on each monthly bill for service furnished under this contract to the service location, a credit in the form of a percentage of the amount of each such bill as rendered until the accumulation of credits shall equal the amount of such connection charge. The amount of the credit percentage shall be negotiated, but shall not be less than that provided for under the terms of any tariff filed by the Contractor or otherwise provided by the Contractor to any commercial customer, provided that the Contractor may at any time allow a credit up to 100 percent of the amount of each such bill.

(2) In the event the Contractor serves any customer other than the Government (regardless of whether the Government is being served simultaneously, intermittently, or not at all) by means of these facilities, the Contractor shall promptly notify the Government in writing. Unless otherwise agreed by the parties in writing at that time, the Contractor shall promptly credit the Government, up to 100 percent of each monthly bill, until there is refunded the amount that reflects the Government's connection costs for that portion of the facilities used in serving others.

(d) *Terminations.* Payment for and disposition of wholly or partially completed facilities upon termination of the contract shall be in accordance with the Government Repurchase Option clause of the Contract.

C.11.3.3 Third Party Construction

(a) Where the Government contracts with a third party to construct new infrastructure that is intended to connect to the Contractor's system, the following terms and conditions shall apply:

(1) The Contractor will provide the Government and the third party contractor with specifications (the "Specifications") applicable under the terms of this Contract for its system components and for interconnections.

(2) The Government will require the third party contractor to renovate or construct any infrastructure that will connect to the Contractor's existing systems in accordance with the Specifications.

(3) The Government will coordinate with the Contractor to ensure the existing system can accommodate any additional load requirements necessitated by the renovation/construction. Should the contractor determine that the existing systems require upgrades to support the additional load requirements, a price for the upgrade will be negotiated in accordance with FAR 52.243-1, *Changes – Fixed- Price, Alt I*.

(b) At the Government's option, the Contractor will take ownership of system components renovated or constructed by the third party contractor to the Specifications. Any adjustment to service requirements and the contract price as a result of these actions will be in accordance with FAR 52.243-1, *Changes – Fixed- Price, Alt I*.

(c) The Contractor shall have the right to reasonably inspect the third party contractor's construction of system components for which the Contractor will take ownership. The fixed-price hourly rate to be paid by the Government for such inspections shall be specified below and shall be subject to redetermination in accordance with the Price Redetermination – Prospective Clause. If no rate is specified, then inspections shall be deemed to be among the utility services included in the monthly utility service charge. Any inspection charge rates identified below will not be considered in evaluation of offers for awards although rates may be addressed during negotiations.

Hourly Inspection Charge Rate: \$_____ per hour.

(d) If third party constructed system components are not built to the Specifications, the Contractor shall identify such components and the basis for the discrepancy to the Government with specificity. The Government may direct the Contractor to perform any work required to bring the system into compliance with the Specifications, in which case the Contractor will be compensated in accordance with FAR 52.243-1, *Changes – Fixed- Price, Alt I*.

(e) In the event the parties are unable to agree on an equitable price adjustment for any of the above paragraphs, the matter shall be resolved under the provisions of this contract.

(FAR 52.241-9)

C.12 Operations and Maintenance/Quality Management

In accordance with Section L, *Proposal Preparation Instructions – Volume I: Technical Proposal*, the Contractor shall establish and submit an Operation and Maintenance/ Quality Management Plan. The Plan shall ensure the provision of reliable, cost-effective, and compliant service over the term of the contract. The Contractor shall maintain and update the Plan as necessary and adhere to its requirements throughout the contract term. It shall not be materially altered without the Government's consent.

C.13 Transition Plan

The Contractor shall prepare and submit an Operational Transition Plan for execution during the transition period. The Plan shall not be materially altered without the Government's consent. The transition period will begin on contract award and end no later than the contract start date. The Contractor shall propose the length of the transition period.

This transition period is intended to provide the Contractor time to perform additional due diligence functions, complete the joint inventory, and stand up operations in support of the contract. The contractor will be paid for transition costs in accordance with the pricing proposal. Transition costs are defined as all costs expended during the transition period that are necessary and reasonable to assume ownership and responsibility for the system.

The Bill of Sale (BOS) must be approved/signed by the appropriate USAF official(s) prior to contract start, and the Government requires 45 days for the BOS coordination and approval process. This BOS process cannot begin until the agreed upon joint inventory is complete. Therefore, the Offeror's transition plan must permit sufficient time for the joint inventory to be completed and agreed upon at least 45 days prior to contract start date to provide the Government the necessary 45-day BOS processing period prior to conclusion of the transition period. Failure to submit the joint inventory on time may result in extension of the transition period and a delayed contract start date. Any resultant additional transition costs incurred as a result of failure to meet these timeliness requirements will only be compensated by the government where the failure is not attributable in any way to the acts or omissions of the contractor.

The Operational Transition Plan is subject to final acceptance by the Contracting Officer. Installation and utility-specific transition items are also found in the utility-specific attachments (Section J).

C.14 Historical, Architectural, & Landscaping Requirements

Cultural resources on Federal property are protected and managed by the Archaeological Resources Protection Act of 1979 and other applicable laws. The Contractor shall exercise care so as not to disturb or damage artifacts or fossils (should any be uncovered) during the excavation operations. Should the Contractor discover evidence of possible scientific, prehistoric, historic or archaeological finds within the work limit lines or adjacent to the work area, the Contractor shall immediately cease work at that location and notify the Contracting Officer. The Contractor shall provide the Contracting Officer with complete information as to the specific location and nature of the findings. Where appropriate by reason of discovery, the Contracting Officer may order delays in time of performance or changes in the work or both. If such delays or changes are ordered, an equitable adjustment will be made in accordance with the applicable clauses of the contract.

C.15 Specialty Training

The contractor shall provide training to government military personnel as requested to ensure that such personnel are fully capable of operating and properly certified to operate the system in the event that the Government must resume operations, temporarily or permanently, for any reason. (Please see Attachment J43).

SECTION D

Packaging and Marking

None

Section E

Inspection and Acceptance

The following FAR Clause is Incorporated by Reference:

FAR 52.246-4: Inspection of Services -- Fixed-Price (Aug 1996)
in accordance with FAR 46.304

NOTE: This clause does not apply to Regulated Offerors

Section F

Deliveries or Performance

F.1 Contract Term

The Contractor(s) agrees to furnish, and the Government agrees to purchase, utility distribution and/or collection services, in accordance with the terms and conditions of this solicitation, for a maximum period of 50 years commencing with the contract start date, provided that the Government is able to make the determination required by 10 U.S.C. §2688(d)(2). If the Government terminates the contract, whether for convenience or default, the appropriate FAR termination clauses will apply.

F.2 Commencement of Service

The Contractor shall complete all transitions and be prepared to provide utility services on the contract start date. The contract start date is defined as the expiration of the transition period (proposed by the Offeror) and the initiation of monthly utility service. The period of performance begins at the contract start date.



Phase I	Phase II	Phase III
Contract Award Date	Transition Period (Pre-performance)	Contract Start Date
Fixed date in time Government and Offeror agree to terms and conditions of utility service contract.	Offeror proposes duration of transition period; Transition period begins upon execution of contract award.	Transition Period Ends and Performance of Utility Services begins.

F.3 Clauses Incorporated by Reference

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

The following FAR Clauses are Incorporated by Reference:

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

Section G

Contract Administration Data

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

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

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

G.2 Submission and Payment of Invoices

The Government will pay the Contractor for utility service through a monthly service charge. Subject to the provisions set forth in Section B, utility services will be billed according to the CLIN items in Schedule B-1 through B-4 on a monthly basis.

The Contractor shall prepare and send one original electronic invoice to the Installation for payment by the 25th of each month for the previous month's billing period. Invoices shall be sent to the recipient and address identified in any resultant contract.

G.3 Utility Service Charge Adjustment

At the request of either party to this contract, and with reasonable cause, the Utility Service Charge may be re-negotiated in accordance with Section I, FAR 52.216-5: Price Redetermination - Prospective (Oct 1997). This paragraph applies to the Utility Service charge portion of CLIN 0001 only, and does not apply to any other CLIN. However, neither party shall request a change to the Utility Service charge portion of CLIN 0001 to become effective sooner than 2 years from the date of award in accordance with Section I, FAR 52.216-5: Price Redetermination - Prospective (Oct 1997). This paragraph also does not apply if a regulated utility chooses to submit a proposal using Schedule B-1.

For future SDC/Upgrades resulting from changed service requirements, at the request of either party to this contract, and with reasonable cause, the Utility Service Charge may be re-negotiated, at any time, in accordance with FAR 52.243-1, *Changes -Fixed-Price- Alt 1* or FAR 52.241-7 *Changes in Rates or Terms and Conditions of Service for Regulated Services* whichever is applicable.

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

G.4 Accounting Procedures

The Contractor shall maintain records of all costs and payments associated with the provision of utility service(s) to the Installation using the National Association of Regulatory Utility Commissioner's (NARUC) Uniform System of Accounts (USOA), Federal Energy Regulatory (FERC) USOA, the Rural Utility Service (RUS) USOA, or the American Water Works Association (AWWA) USOA, or an alternative USOA acceptable to the Government. The USOA

may be supplemented by the Contractor's standard accounting procedures and generally recognized accounting practices and principles, as long as such supplemental procedures and practices are consistent with the NARUC (or an accepted alternative) USOA. The standard utilized must be consistent with the written and established practices for measuring, assigning, and allocating costs.

G.4.1 Price Adjustment for Noncompliance with Accounting Procedures

The Government shall be entitled to a price adjustment if it finds that the contract price was increased during any price redetermination actions as a result of the use of noncompliant or inconsistent accounting practices established and accepted by the Government on the part of the contractor. The amount of the adjustment shall be the difference between the contract price that was negotiated and the price that would have been negotiated had the business unit used compliant and established accounting practices that were in accordance with FERC, NARUC, RUS, or AWWA and were consistent with the contractor's written and established practices. In such cases, the Government shall be entitled to a credit or cash recovery (at the Government's option) for the amount of the increased price plus interest. The interest rate shall be computed from the date the payment by the Government until the date of repayment by the contractor. The interest rate shall be the rate specified at 26 U.S.C. 6621(a)(2).

Section H

Special Contract Provisions

H.1 Mobilization and Other Contingencies

In the event of troop mobilization or other contingencies, the Contractor will be expected to promptly take whatever measures are needed to meet any new demands placed upon it, to include extended work hours and expansion of the contract work force.

Extra work effort under these circumstances may entitle the Contractor to equitable adjustment under the Changes Clause at FAR 52.243-1, *Changes -Fixed-Price- Alt 1*.

H.2 Insurance Requirements

H.2.1 Insurance Certificate

Contractor shall deliver or cause to be delivered upon execution of this contract (and thereafter not less than thirty (30) days prior to the expiration date of each policy furnished pursuant to this contract) to the Government a certificate of insurance evidencing the insurance required by this contract.

H.2.2 Types of Insurance

During the entire period this contract shall be in effect, the Contractor and its subcontractors at any tier shall carry and maintain the following:

H.2.2.1 General Liability

Commercial general liability insurance with a minimum combined single limit of \$1,000,000 per occurrence and \$2,000,000 in the aggregate for all premises and operations, including products/completed operations. The policy shall include coverage for bodily injury, including death, and property damage arising out of the acts or omissions by or on behalf of the Contractor by any invitee or any other person or organization, or involving any owned, non-owned, or hired automotive equipment in connection with the Contractor's activities. The policy shall also include broad form property damage and shall cover independent contractors. The policy shall include coverage for hazards referred to as XCU (explosion, collapse, and underground).

H.2.2.2 Automobile Liability

Comprehensive automobile liability insurance with a combined single limit of \$1,000,000 per occurrence for bodily injury and property damage. Coverage is to include owned, hired, and non-owned vehicles.

H.2.2.3 Workers' Compensation and Employer's liability

If and to the extent required by law, workers' compensation and employer's liability insurance. Workers compensation coverage is to be provided in compliance with applicable laws and employer's liability limits shall be at least \$500,000.

H.2.2.4 Umbrella/Excess Liability Coverage

Umbrella or Excess Liability coverage in an amount of \$1,000,000 per occurrence and \$1,000,000 in the aggregate. Coverage is to be in excess of commercial general liability, automobile liability, and employer liability.

H.2.3 General

All policies of insurance which this contract requires the Contractor to carry and maintain or cause to be carried or maintained pursuant to this contract shall be with insurance companies who have an A- Best VIII or higher rating. All such policies of insurance shall list the government as additional insured, except for workers compensation. Each such policy shall provide that any losses shall be payable notwithstanding any act or failure to act or negligence of Contractor or Government or any other person; provide that no cancellation, reduction in amount, or material change in coverage thereof shall be effective until at least sixty (60) days after receipt by Government of written notice thereof; provide that the insurer shall have no right of subrogation against the Government; and be reasonably satisfactory to the Government in all other respects. In no circumstances will the Contractor be entitled to assign to any third party rights of action which the Contractor may have against the Government. The foregoing notwithstanding, any cancellation of insurance coverage based on nonpayment of the premium shall be effective upon ten (10) days' written notice to the Government. The Contractor understands and agrees that cancellation of any insurance coverage required to be carried and maintained by the Contractor under this contract will constitute a failure to comply with the terms of this contract.

H.2.4 Self-insurance

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

H.2.4.1 Submittals

If the contractor desires to self-insure, the contractor shall submit to the contracting officer, in writing, a request to self-insure. The contractor shall, when submitting any documents under this provision, apprise the contracting officer of any such documents that constitute confidential or proprietary business records, and mark those records accordingly. To support the determination of the contracting officer regarding the request, said officer may request some or all of the following information, to the extent the contractor maintains such information, on the contractors proposed self-insurance program—

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

H.2.4.2 Programs of Self Insurance

Programs of self-insurance covering contractor's insurable risks, including the deductible portion of purchased insurance, may be approved by the contracting officer when examination of a program indicates that its application is in the Government's interest; such determination is within the sole discretion of the Government. The Government will not approve a program of self-insurance for workers' compensation in a jurisdiction where workers' compensation does not completely cover the employer's liability to employees, unless the contractor—

- (1) Maintains an approved program of self-insurance for any employer's liability not so covered; or
- (2) Shows that the combined cost to the Government of self-insurance for workers' compensation and commercial insurance for employer's liability will not exceed the cost of covering both kinds of risk by commercial insurance.

H.2.4.3 Approval

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

- (1) Any part of a program does not comply with the requirements of this part and/or the criteria at FAR 31.205-19; or
- (2) Conditions or situations existing at the time of approval that were a basis for original approval of the program have changed to the extent that a program change is necessary.

H.2.4.4 Qualifications

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

- (1) The soundness of contractor's financial condition, including available lines of credit.
- (2) The geographic dispersion of assets, so that the potential of a single loss depleting all the assets is unlikely.
- (3) The history of previous losses, including frequency of occurrence and the financial impact of each loss.
- (4) The type and magnitude of risk, such as minor coverage for the deductible portion of purchased insurance or major coverage for hazardous risks.
- (5) The contractor's compliance with Federal and State laws and regulations.

H.3 Availability of Funds

Nothing in this contract shall be construed to obligate funds in advance of appropriations.

H.4 Liability

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

H.5 Catastrophic Loss

The Contractor shall propose how it plans to protect itself from a catastrophic loss, including but not limited to vehicular damage, vandalism, and Acts of God or a Public Enemy that significantly affect the utility system(s). The Contractor will be expected to bring the system back into service expeditiously following any such catastrophic loss or event and shall identify in its proposal how it plans to accomplish this. In its plan, the Contractor shall identify any intent to rely on the Federal Emergency Management

Agency (FEMA) or other Governmental relief agencies for financial assistance in recovering from any catastrophic loss and must identify to what extent, if any, the Contractor would expect reimbursement under the Contract. If the Contractor has catastrophic insurance, the Contractor shall provide a copy of the coverage to the Contracting Officer.

H.6 Notification of Infrastructure/Service Contract Transfer

The Contractor shall provide 120 day written notice prior to any resale, transfer, or encumbrance of the system or any components thereof. Regardless of the disposition of the contractor's property, the utility services contract can only be transferred to another entity with the Government's consent (see 41 U.S.C. §15 and §FAR 42.1204).

H.7 Government Repurchase Option

1. The Government may, at its sole option, repurchase the privatized system at the end of the contract term or in the event the contract is terminated for the convenience of the Government or for default.
2. The Government shall exercise its repurchase option by providing written notice to the Contractor.
3. As consideration for the repurchase, the Government shall pay the Contractor the amount of the Contractor's Unrecovered Investments in the System as defined in Paragraph 8 below. The repurchase shall become effective and the System[s] shall become the property of the Government 120 days after the Government issues notice of its intent to exercise its repurchase option or on such later date as the Government may designate. Following the transfer of the System to the Government, the Contractor shall present an invoice for the repurchase price.
4. In the event of a repurchase, the system shall be transferred to the Government free of all liens and encumbrances. The Contractor and the Government shall cooperate in preparing and executing all documents required to accomplish the transfer. All information in all media (electronic, paper and otherwise) including, without limitation, books, manuals, operating procedures, specifications, databases and maps necessary or useful for operating the System shall be transferred to the Government with the System. In addition, copies of all Contractor operations and maintenance records shall be transferred to the Government with the System.
5. To the extent the Contractor receives payments for Unrecovered Investments in accordance with this clause, the Contractor shall not be entitled to equivalent payments for Unrecovered Investments under any termination, cancellation or similar provision of the Contract.
6. In the event of termination for default, the Government may offset against payments made as consideration for repurchase under this Section any damages, including excess procurement costs, it suffers as a consequence of the Contractor's default. The Government shall have no obligation to tender the repurchase price until the quantum of such damages is defined.
7. The Contractor shall maintain an up to date account of the current System repurchase price throughout the contract term based upon a methodology established by the Contractor and approved by the Government prior to contract award. Upon request, the Contractor shall make the account available to the Government with appropriate supporting documentation.
8. Definitions
 - A. For purposes of this Section, "Privatized System" or "System" means all fixtures and equipment used or useful for operating the utility system[s].

B. For purposes of this Section, “Unrecovered Investments” means

1. The purchase price for the utility system[s] defined in Section B of the contract but only to the extent the Contractor has paid all or a portion of the purchase price to the Government without offsetting recovery;
2. Improvements or additions to the system located on Government property and approved by the Government that are:
 - a) identified in the Contractor’s Initial System Deficiency Corrections and Renewal and Replacement Plan and subsequent Plans provided annually throughout the contract term ;
or
 - b) the result of requests for connections or connecting facilities.

However, the Contractor will only be compensated to the extent such investments have not been recovered by the Contractor in the form of payments made by or on behalf of the Government on account of such investments.

H.8 Foreign Object Damage Prevention Program

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

H.9 Hazardous Substances

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

Any unexploded ordnance discovered on government property by the contractor is the responsibility of the Government and will not be disturbed by the contractor but, upon discovery, shall be immediately reported to Installation Security and the Contracting Officer’s Representative.

H.10 Interest Allowability of Capital Investment

Pursuant to the DoD Class Deviation signed 13 August 2007 and as determined by the Contracting Officer, the Contractor will be permitted to recover its interest costs associated only with capital expenditures to acquire, renovate, replace, upgrade, and/or expand utility systems. Interest rates used to calculate allowable interest costs must be limited to 600 basis points above the Contract Disputes Act (CDA) interest rate (41 U.S.C. 611) in effect at the time the contractor makes the capital expenditure. The contractor shall not receive facilities capital cost of money under FAR 31.205-10. CDA interest rate(s) are determined by the Bureau of the Public Debt and are published at the following website: <http://www.publicdebt.treas.gov/opd/opdprmt2.htm>.

H.11 Contribution in Aid of Construction (CIAC) Tax Liability

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

H.12 Differing Site Conditions

FAR 52.236-2 -- Differing Site Conditions (Apr 1984)

(a) The Contractor shall promptly, and before the conditions are disturbed, give a written notice to the Contracting Officer of –

- (1) Subsurface or latent physical conditions at the site which differ materially from those indicated in this contract; or
- (2) Unknown physical conditions at the site, of an unusual nature, which differ materially from those ordinarily encountered and generally recognized as inhering in work of the character provided for in the contract.

(b) The Contracting Officer shall investigate the site conditions promptly after receiving the notice. If the conditions do materially so differ and cause an increase or decrease in the Contractor's cost of, or the time required for, performing any part of the work under this contract, whether or not changed as a result of the conditions, an equitable adjustment shall be made under this clause and the contract modified in writing accordingly.

(c) No request by the Contractor for an equitable adjustment to the contract under this clause shall be allowed, unless the Contractor has given the written notice required; provided, that the time prescribed in paragraph (a) of this clause for giving written notice may be extended by the Contracting Officer.

(d) No request by the Contractor for an equitable adjustment to the contract for differing site conditions shall be allowed if made after final payment under this contract.

(End of Clause)

Section I

Contract Clauses

In the event of any inconsistencies between non-mandatory FAR and DFARS clauses incorporated by reference herein or elsewhere and any clauses set forth in full text in this Contract, the full text clauses shall control.

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

In accordance with FAR 52.107(b))

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

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

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

I.2 FAR Clauses

The following FAR clauses are incorporated by reference:

FAR Paragraph	Clause Title	IAW	Date
52.202-1	Definitions	FAR 2.201	Jul 2004
52.203-3	Gratuities	FAR 3.202	Apr 1984
52.203-5	Covenant Against Contingent Fees	FAR 3.404	Apr 1984
52.203-6	Restrictions on Subcontractor Sales to the Government	FAR 3.503-2	Sep 2006
52.203-7	Anti-Kickback Procedures	FAR 3.502-3	Jul 1995
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity	FAR 3.104-9(a)	Jan 1997
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity	FAR 3.104-9(b)	Jan 1997
52.203-12	Limitation on Payments to Influence Certain Federal Transactions	FAR 3.808(b)	Sep 2007
52.203-13	Contractor Code of Business Ethics and Conduct	FAR 3.1004(a)	Dec 2008

FAR Paragraph	Clause Title	IAW	Date
52.204-4	Printing or Copied Double-Sided on Recycled Paper	FAR 4.303	Aug 2000
52.204-7	Central Contractor Registration	FAR 4.1104	April 2008
52.207-3	Right of First Refusal of Employment	FAR 7.305(c)	May 2006
52.209-6	Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment	FAR 9.409(b)	Sep 2006
52.215-2	Audit and Records - - Negotiations	FAR 15.209(b)	Jun 1999
52.215-8	Order of Precedence – Uniform Contract Format See Section C.1 of contract	FAR 15.209(h)	Oct 1997
52.215-11	Price Reduction for Defective Cost or Pricing Data—Modifications	FAR 15.408(c)	Oct 1997
52.215-13	Subcontractor Cost or Pricing Data—Modifications	FAR 15.408(e)	Oct 1997
52.215-21	Requirements for Cost or Pricing Data or Information other than Cost or Pricing – Modifications	FAR 15.408(m)	Oct 1997
52.219-4	Notice of Price Evaluation Preference for HUBZone Small Business Concerns	FAR 19.1308(b)	Jul 2005
52.219-8	Utilization of Small Business Concerns	FAR 19.708(a)	May 2004
52.219-9	Small Business Subcontracting Plan w/ Alt II below	FAR 19.708(b)	Apr 2008
52.219-9	Alternate II	FAR 19.708(b)(1)	Apr 2008
52.219-16	Liquidated Damages—Subcontracting Plan	FAR 19.708(b)(2)	Jan 1999
52.219-25	Small Disadvantaged Business participation Program-Disadvantaged Status and Reporting	FAR 19.1204(b)	Apr 2008
52.219-28	Post-Award Small Business Representation	FAR 19.308(d)	Jun 2007
52.222-1	Notice to the Government of Labor Disputes	FAR 22.103-5(a)	Feb 1997
52.222-3	Convict Labor	FAR 22.202	Jun 2003

FAR Paragraph	Clause Title	IAW	Date
52.222-4	Contract Work Hours and Safety Standards Act – Overtime Compensation	FAR 22.305	Jul 2005
52.222-21	Prohibition of Segregated Facilities	FAR 22.810(a)(1)	Feb 1999
52.222-24	Preaward On-Site Equal Opportunity Compliance Evaluation	FAR 22.810(c)	Feb 1999
52.222-26	Equal Opportunity	FAR 22.810(e)	Mar 2007
52.222-35	Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans	FAR 22.1310(a)(1)	Sep 2006
52.222-36	Affirmative Action for Workers with Disabilities	FAR 22.1408(a)	Jun 1998
52.222-37	Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans	FAR 22.1310(b)	Sep 2006
52.222-39	Notification of Employee Rights Concerning Payment of Union Dues or Fees	FAR 22.1605	Dec 2004
52.222-50	Combating Trafficking in Persons	FAR 22.1705(a)	Aug 2007
52.223-5	Pollution Prevention and Right-to-Know Information	FAR 23.1005	Aug 2003
52.223-6	Drug-Free Workplace	FAR 23.505	May 2001
52.223-12	Refrigeration Equipment And Air Conditioners	FAR 23.804(b)	May 1995
52.223-13	Certification of Toxic Chemical Release Reporting	FAR 23.906(a)	Aug2003
52.223-14	Toxic Chemical Release Reporting	FAR 23.906(b)	Aug 2003
52.228-5	Insurance-Work on a Government Installation	FAR 28.310	Jan 1997
52.232-1	Payments	FAR 32.111(a)(1)	Apr 1984
52.232-8	Discounts for Prompt Payment	FAR 32.111(b)(1)	Feb 2002

FAR Paragraph	Clause Title	IAW	Date
52.232-11	Extras	FAR 32.111(c)(2)	Apr 1984
52.232-17	Interest	FAR 32.611(a)(b)	Oct 2008
52.232-18	Availability of Funds	FAR 32.705-1(a)	Apr 1984
52.232-23	Assignment of Claims ALT 1	FAR 32.806(a)(1)	Jan 1986 Apr 1984
52.232-25	Prompt Payment	FAR 32.908(c)	Oct 2008
52.232-33	Payment by Electronic Funds Transfer --Central Contractor Registration	FAR 32.1110(a)(1)	Oct 2003
52.233-1	Disputes ALT 1	FAR 33.215	Jul 2002 Dec 1991
52.233-3	Protest after Award	FAR 33.106(b)	Aug 1996
52.233-4	Applicable Law for Breach of Contract Claim	FAR 32.215(b)	Oct 2004
52.237-2	Protection of Government Buildings, Equipment, and Vegetation	FAR 37.110(b)	Apr 1984
52.237-3	Continuity of Services	FAR 37.110(c)	Jan 1991
52.242-1	Notice of Intent to Disallow Costs	FAR 42.802	Apr 1984
52.242-13	Bankruptcy	FAR 42.903	Jul 1995
52.243-1	Changes – Fixed-Price – ALT I	FAR 43.205(a)(1)	Aug 1987 Apr 1984
52.244-6	Subcontracts for Commercial Items	FAR 44.403	Dec 2008
52.249-2	Termination for Convenience of the Government (Fixed Price)	FAR 49.502(b)(1)(i)	May 2004
52.249-8	Default (Fixed Price Supply and Service)	FAR 49.504(a)(1)	Apr 1984

FAR Paragraph	Clause Title	IAW	Date
52.252-6	Authorized Deviations in Clauses	FAR 52.107(f)	Apr 1984

I.2.1 Disputes

NOTE: This clause only applies to Schedule B-1, regulated offers

The requirements of the Disputes clause at FAR 52.233-1 are supplemented to provide that in regard to the interpretation of retail rates, rate schedules and items directly related to rates and rate schedules provided under this contract, the parties agree to accept as authoritative the interpretation of any statewide public utility regulatory authority with jurisdiction over the contractor. The Government shall not be bound to accept as authoritative interpretations that conflict with Federal law or regulation or that are found by any administrative or judicial forum to: 1) result in discrimination against the Installation; 2) have resulted from abuse of discretion; or 3) have directly or indirectly resulted from any failure on the part of the regulatory authority or its members to comply with applicable laws and regulations.

I.3 DFARS Clauses Incorporated by Reference

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

The following DFARS clauses are incorporated by reference:

DFARS Paragraph	Clause Title	IAW	Date
252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies	DFARS 203.570-3	Dec 2008
252.203-7002	Requirements to Inform Employees of Whistleblower Rights	DFARS 203.970	Jan 2009
252.204-7000	Disclosure of Information	DFARS 204.404-70(a)	Dec 1991
252.204-7003	Control of Government Personnel Work Product	DFARS 204.404-70(b)	Apr 1992
252.205-7000	Provision of Information to Cooperative Agreement Holders	DFARS 205.470	Dec 1991
252.209-7004	Subcontracting with Firms that Are Owned or Controlled by the Government of a Terrorist Country	DFARS 209.409	Dec 2006
252.215-7000	Pricing Adjustments	IAW DFARS 215.408(1)	Dec 1991
252.219-7003	Small Business Subcontracting Plan (DoD Contracts)	DFARS 219.708(b)(1)(A)	Apr 2007
252.223-7004	Drug-Free Work Force	DFARS 223.570-2	Sep 1988

DFARS Paragraph	Clause Title	IAW	Date
252.223-7006	Prohibition on Storage and Disposal of Toxic and Hazardous Materials	DFARS 223.7103(a)	Apr 1993
252.225-7031	Secondary Arab Boycott of Israel	DFARS 225.7605	Jun 2005
252.226-7001	Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian	DFARS 226.104	Sep 2004
252.231-7000	Supplemental Cost Principles	DFARS 231.100-70	Dec 1991
252.232-7010	Levies on Contract Payments	DFARS 232.7102	Dec 2006
252.235-7003	Frequency Authorization	DFARS 235.072(b)	Dec 1991
252.236-7005	Airfield Safety Precautions	DFARS 236.570(b)(3)	Dec 1991
252.243-7001	Pricing of Contract Modifications	DFARS 243.205-70	Dec 1991
252.243-7002	Requests for Equitable Adjustment	DFARS 243.205-71	Mar 1998
252.247-7023	Transportation of Supplies by Sea	DFARS 247.574(b)(1)	May 2002

I.4 Utility Services Clauses Incorporated by Reference

The following Utility Services FAR and DFARS clauses are incorporated herein by reference.

Paragraph	Clause Title	IAW	Date
52.241-2	Order of Precedence – Utilities	FAR 41.501(c)(1)	Feb 1995
52.241-4	Change in Class of Service (Applicable to Tariff Priced Contracts Only)	FAR 41.501(c)(3)	Feb 1995
52.241-5	Contractor's Facilities	FAR 41.501(c)(4)	Feb 1995
52.241-7	Change in Rates or Terms and Conditions of Service for Regulated Services (Applicable to Tariff Priced Contracts Only) For the purpose of this clause the blank(s) is/are completed as follows: <u>45 Days</u>	FAR 41.501(d)(1)	Feb 1995

52.241-11	Multiple Service Locations	FAR 41.501(d)(5)	Feb 1995
252.241-7001	Government Access	DFARS 241.501-70(b)	Dec 1991

I.5 Non-Regulated Utility Clauses Incorporated by Reference

The following FAR clauses are incorporated by reference if award is made to an entity that is non-regulated, non-Governmental.

Paragraph	Clause Title	IAW	Date
52.222-41	Service Contract Act of 1965, as amended	FAR 22.1006(a)	Nov 2007
52.222-44	Fair Labor Standards Act and Service Contract Act – Price Adjustment (Multiple Year and Option Contracts)	FAR 22.1006(c)(2)	Feb 2002
52.230-2	Cost Accounting Standards	FAR 30.201-4(a)	Oct 2008
52.230-3	Disclosure and Consistency of Cost Accounting Practices	FAR 30.201-4(b)(1)	Oct 2008
52.230-6	Administration of Cost Accounting Standards	FAR 30.201-4(d)(1)	Mar 2008

I.6 Other Clauses

I.6.1 FAR 52.216-5: Price Redetermination – Prospective (Oct 1997)

- (a) *General.* The unit prices and the total price stated in this contract shall be periodically redetermined in accordance with this clause, except that –
- (1) The prices for supplies delivered and services performed before the first effective date of price redetermination (see paragraph (c) of this clause) shall remain fixed; and
 - (2) In no event shall the total amount paid under this contract exceed any ceiling price included in the contract.
- (b) *Definition.* "Costs," as used in this clause, means allowable costs in accordance with Part 31 of the Federal Acquisition Regulation (FAR) in effect on the date of this contract.
- (c) *Price redetermination periods.* For the purpose of price redetermination, performance of this contract is divided into successive periods. The first period shall extend from the contract start date to two years after the contract start date, and the second and each succeeding period shall extend for 36 months from the end of the last preceding period, except that the parties may agree to vary the length of the final period. The first day of the second and each succeeding period shall be the effective date of price redetermination for that period.

(d) *Data submission.*

- (1) Not more than **120 days** nor less than 90 days before the end of each redetermination period, except the last, the Contractor shall submit –
 - (i) Proposed prices for supplies that may be delivered or services that may be performed in the next succeeding period, and –
 - (A) An estimate and breakdown of the costs of these supplies or services in the format of Table 15-2, FAR 15.408, or in any other form on which the parties may agree;
 - (B) Sufficient data to support the accuracy and reliability of this estimate; and
 - (C) An explanation of the differences between this estimate and the original (or last preceding) estimate for the same supplies or services; and
 - (ii) A statement of all costs incurred in performing this contract through the end of the first month before the submission of proposed prices in the format of Table 15-2, FAR 15.408 (or in any other form on which the parties may agree), with sufficient supporting data to disclose unit costs and cost trends for –
 - (A) Supplies delivered and services performed; and
 - (B) Inventories of work in process and undelivered contract supplies on hand (estimated to the extent necessary).
 - (2) The Contractor shall also submit, to the extent that it becomes available before negotiations on redetermined prices are concluded –
 - (i) Supplemental statements of costs incurred after the date stated in subdivision (d)(1)(ii) of this section for –
 - (A) Supplies delivered and services performed; and
 - (B) Inventories of work in process and undelivered contract supplies on hand (estimated to the extent necessary); and
 - (ii) Any other relevant data that the Contracting Officer may reasonably require.
 - (3) If the Contractor fails to submit the data required by subparagraphs (d)(1) and (2) of this section, within the time specified, the Contracting Officer may suspend payments under this contract until the data are furnished. If it is later determined that the Government has overpaid the Contractor, the Contractor shall repay the excess to the Government immediately. Unless repaid within 30 days after the end of the data submittal period, the amount of the excess shall bear interest, computed from the date the data were due to the date of repayment, at the rate established in accordance with the Interest clause.
- (e) *Price redetermination.* Upon the Contracting Officer's receipt of the data required by paragraph (d) of this section, the Contracting Officer and the Contractor shall promptly negotiate to redetermine fair and reasonable prices for supplies that may be delivered or services that may be performed in the period following the effective date of price redetermination.
- (f) *Contract modifications.* Each negotiated redetermination of prices shall be evidenced by a modification to this contract, signed by the Contractor and the Contracting Officer, stating the redetermined prices that apply during the redetermination period.

- (g) *Adjusting billing prices.* Pending execution of the contract modification (see paragraph (f) of this section), the Contractor shall submit invoices or vouchers in accordance with the billing prices stated in this contract. If at any time it appears that the then-current billing prices will be substantially greater than the estimated final prices, or if the Contractor submits data showing that the redetermined price will be substantially greater than the current billing prices, the parties shall negotiate an appropriate decrease or increase in billing prices. Any billing price adjustment shall be reflected in a contract modification and shall not affect the redetermination of prices under this clause. After the contract modification for price redetermination is executed, the total amount paid or to be paid on all invoices or vouchers shall be adjusted to reflect the agreed-upon prices, and any requested additional payments, refunds, or credits shall be made promptly.
- (h) *Quarterly limitation on payments statement.* This paragraph (h) applies only during periods for which firm prices have not been established.
- (1) Within 45 days after the end of the quarter of the Contractor's fiscal year in which a delivery is first made (or services are first performed) and accepted by the Government under this contract, and for each quarter thereafter, the Contractor shall submit to the contract administration office (with a copy to the contracting office and the cognizant contract auditor) a statement, cumulative from the beginning of the contract, showing –
 - (i) The total contract price of all supplies delivered (or services performed) and accepted by the Government and for which final prices have been established;
 - (ii) The total costs (estimated to the extent necessary) reasonably incurred for, and properly allocable solely to, the supplies delivered (or services performed) and accepted by the Government and for which final prices have not been established;
 - (iii) The portion of the total interim profit (used in establishing the initial contract price or agreed to for the purpose of this paragraph (h)) that is in direct proportion to the supplies delivered (or services performed) and accepted by the Government and for which final prices have not been established; and
 - (iv) The total amount of all invoices or vouchers for supplies delivered (or services performed) and accepted by the Government (including amounts applied or to be applied to liquidate progress payments).
 - (2) The statement required by subparagraph (h)(1) of this section need not be submitted for any quarter for which either no costs are to be reported under subdivision (h)(1)(ii) of this section, or revised billing prices have been established in accordance with paragraph (g) of this section, and do not exceed the existing contract price, the Contractor's price-redetermination proposal, or a price based on the most recent quarterly statement, whichever is least.
 - (3) Notwithstanding any provision of this contract authorizing greater payments, if on any quarterly statement the amount under subdivision (h)(1)(iv) of this section exceeds the sum due the Contractor, as computed in accordance with subdivisions (h)(1)(i), (ii), and (iii) of this section, the Contractor shall immediately refund or credit to the Government the amount of this excess. The Contractor may, when appropriate, reduce this refund or credit by the amount of any applicable tax credits due the Contractor under 26 U.S.C.1481 and by the amount of previous refunds or credits affected under this clause. If any portion of the excess has been applied to the liquidation of progress payments, then that portion may, instead of being refunded, be added to the unliquidated progress payment account, consistent with the Progress Payments clause. The Contractor shall provide complete details to support any claimed reductions in refunds.
 - (4) If the Contractor fails to submit the quarterly statement within 45 days after the end of each quarter and it is later determined that the Government has overpaid the Contractor, the Contractor shall repay the excess to the Government immediately. Unless repaid within 30 days after the end

of the statement submittal period, the amount of the excess shall bear interest, computed from the date the quarterly statement was due to the date of repayment, at the rate established in accordance with the Interest clause.

- (i) *Subcontracts*. No subcontract placed under this contract may provide for payment on a cost-plus-a-percentage-of-cost basis.
- (j) *Disagreements*. If the Contractor and the Contracting Officer fail to agree upon redetermined prices for any price redetermination period within **60 days** (or within such other period as the parties agree) after the date on which the data required by paragraph (d) of this section are to be submitted, the Contracting Officer shall promptly issue a decision in accordance with the Disputes clause. For the purpose of paragraphs (f), (g), and (h) of this section, and pending final settlement of the disagreement on appeal, by failure to appeal, or by agreement, this decision shall be treated as an executed contract modification. Pending final settlement, price redetermination for subsequent periods, if any, shall continue to be negotiated as provided in this clause.
- (k) *Termination*. If this contract is terminated, prices shall continue to be established in accordance with this clause for
- (1) completed supplies and services accepted by the Government and
 - (2) those supplies and services not terminated under a partial termination. All other elements of the termination shall be resolved in accordance with other applicable clauses of this contract.

I.6.2 Price Redetermination

At the request of either party to this contract, and with reasonable cause, the Utility Service Charge (CLIN 0001) may be re-negotiated in accordance with Section I, FAR 52.216-5: Price Redetermination - Prospective (Oct 1997). Only the operations and maintenance and renewals and replacements portion of the Utility Service Charge are eligible for redetermination. However, in accordance with Section I, FAR 52.216-5: Price Redetermination - Prospective (Oct 1997), neither party shall request a change to these service charges to become effective sooner than 2 years from the contract start date and every three years thereafter.

The actual costs used for purposes of establishing any price redetermination under the contract must exclude all statutory (see 10 U.S.C. 2324 (e)) and contractually unallowable costs. For contractors who are subject to regulation by a State utility regulatory body, the actual costs must also exclude the types of costs that are not normally permitted to be reimbursed by the applicable regulatory body that oversees the utility rate determinations for the business segment performing the contract. Any reasonable method of estimating such costs, including a statistical sample of contractor costs projected to the total cost universe, is sufficient to meet this requirement. Should any unallowable costs be included in the negotiated price redetermination, the Government shall be entitled to recover the amount of those unallowable costs plus interest from the date of the redetermination until the date of the repayment in accordance with 26 U.S.C. 6621(a)(2).

I.6.3 FAR 52.222-42: Statement of Equivalent Rates for Federal Hires (May 1989)

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

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

EMPLOYEE CLASS

MONETARY WAGE – FRINGE BENEFITS

I.6.4 FAR 52.229-3 FEDERAL, STATE, AND LOCAL TAXES (APR 2003)

(a) As used in this clause--

(1) **After-imposed tax** means any new or increased Federal, State, or local tax that the Contractor is required to pay or bear the burden of as the result of legislative, judicial, or administrative action taking effect after the contract date.

(2) **After-relieved tax** means any amount of Federal, State, or local tax that would otherwise have been payable on the transactions or property covered by this contract, but which the Contractor is not required to pay or bear the burden of, or for which the Contractor obtains a refund or drawback, as the result of legislative, judicial, or administrative action taking effect after the contract date.

(3) **All applicable Federal and State taxes** means all excise taxes that the taxing authority is imposing and collecting on the transactions or property covered by this contract pursuant to written ruling or regulation in effect on the contract date.

(4) **Contract date** means the date set for bid opening or, if this is a negotiated contract or a modification, the date set for final revised prices.

(5) **Local taxes** means taxes levied by the political subdivisions of the States, District of Columbia, or outlying areas of the United States, e.g., cities and counties.

(6) **Outlying areas** means—

(i) **Commonwealths.** Puerto Rico and The Northern Mariana Islands;

(ii) **Territories.** American Samoa, Guam, and The U.S. Virgin Islands; and

(iii) **Minor outlying islands.** *Baker Island; Howland Island, Jarvis Island; Johnston Atoll; Kingman Reef; Midway Islands; Navassa Island; Palmyra Atoll; and Wake Atoll.*

(7) **State taxes** means taxes levied by the States, the District of Columbia, or outlying areas of the United States.

(8) **Tax** means taxes, duties and environmental or inspection fees, except social security or other employment taxes.

(b) The contract price includes all applicable Federal, State, and local taxes, except as otherwise provided. (See either the FEDERAL AND STATE TAXES/FEES EXCLUDED FROM CONTRACT PRICE clause or the FEDERAL, STATE, AND LOCAL TAXES AND FEES clause.)

(c) The contract price shall be increased by the amount of any after-imposed tax if the Contractor states in writing that the contract price does not include any contingency for such tax.

(d) The contract price shall be decreased by the amount of any after-relieved tax.

(e) The contract price shall also be decreased by the amount of any tax that the Contractor is required to pay or bear the burden of, or does not obtain a refund of, through the Contractor's fault, negligence, or failure to follow instructions of the Contracting Officer.

(f) The Contractor shall promptly notify the Contracting Officer of all matters relating to any tax that reasonably may be expected to result in either an increase or decrease in the contract price and shall take appropriate action as the Contracting Officer directs.

(g) The Government shall, without liability, furnish evidence appropriate to establish exemption from any Federal, State, or local tax when the Contractor requests such evidence and a reasonable basis exists to sustain the exemption.

SECTION J

List of Attachments

TABLE J.1-1		
Installation- and Utility-Specific Attachments to RFP		
RFP Attachment	Installation	Utility System
J1	Minot AFB, North Dakota	Electric Distribution
J3	Minot AFB, North Dakota	Water Distribution
J4	Minot AFB, North Dakota	Wastewater Distribution

Attachment J38 – Federal Equivalents

Attachment J39 – Past Performance Information

Attachment J40 – Example of FP-PPR

Attachment J41 – Subcontracting Plan

Attachment J42 – Bill of Sale

Attachment J43-1 Electric System Training Requirements

Attachment J43-3 Water System Training Requirements

Attachment J43-4 Wastewater System Training Requirements

Attachment J44 – Wage Determination

Attachment J45 – Legislative Authority

SECTION K

Representations, Certifications, and other Statements of Offerors

Prospective contractors shall complete electronic annual representations and certifications at <http://orca.bpn.gov> in conjunction with required registration in the Central Contractor Registration (CCR) database

52.204-8 ANNUAL REPRESENTATIONS AND CERTIFICATIONS

(a)(1) The North American Industry Classification System (NAICS) code for this acquisition is 221122, 221310, 221320.

(2) The small business size standard is 7 million.

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

(b)(1) If the clause at [52.204-7](#), Central Contractor Registration, is included in this solicitation, paragraph (c) of this provision applies.

(2) If the clause at [52.204-7](#) is not included in this solicitation, and the offeror is currently registered in CCR, and has completed the ORCA electronically, the offeror may choose to use paragraph (c) of this provision instead of completing the corresponding individual representations and certifications in the solicitation. The offeror shall indicate which option applies by checking one of the following boxes:

(i) Paragraph (c) applies.

(ii) Paragraph (c) does not apply and the offeror has completed the individual representations and certifications in the solicitation.

(c) The offeror has completed the annual representations and certifications electronically via the Online Representations and Certifications Application (ORCA) website at <http://orca.bpn.gov>. After reviewing the ORCA database information, the offeror verifies by submission of the offer that the representations and certifications currently posted electronically have been entered or updated within the last 12 months, are current, accurate, complete, and applicable to this solicitation (including the business size standard applicable to the NAICS code referenced for this solicitation), as of the date of this offer and are incorporated in this offer by reference (see FAR [4.1201](#)); except for the changes identified below [*offeror to insert changes, identifying change by clause number, title, date*]. These amended representation(s) and/or certification(s) are also incorporated in this offer and are current, accurate, and complete as of the date of this offer.

FAR Clause	Title	Date	Change

Any changes provided by the offeror are applicable to this solicitation only, and do not result in an update to the representations and certifications posted on ORCA.

(End of Provision)

52.230-1 -- Cost Accounting Standards Notices and Certification

Note: This notice does not apply to small businesses or foreign governments. This notice is in three parts, identified by Roman numerals I through III.

Offerors shall examine each part and provide the requested information in order to determine Cost Accounting Standards (CAS) requirements applicable to any resultant contract.

If the offeror is an educational institution, Part II does not apply unless the contemplated contract will be subject to full or modified CAS coverage pursuant to 48 CFR 9903.201-2(c)(5) or 9903.201-2(c)(6), respectively.

I. Disclosure Statement -- Cost Accounting Practices and Certification

(a) Any contract in excess of \$650,000 resulting from this solicitation will be subject to the requirements of the Cost Accounting Standards Board (48 CFR Chapter 99), except for those contracts which are exempt as specified in 48 CFR 9903.201-1.

(b) Any offeror submitting a proposal which, if accepted, will result in a contract subject to the requirements of 48 CFR Chapter 99 must, as a condition of contracting, submit a Disclosure Statement as required by 48 CFR 9903.202. When required, the Disclosure Statement must be submitted as a part of the offeror's proposal under this solicitation unless the offeror has already submitted a Disclosure Statement disclosing the practices used in connection with the pricing of this proposal. If an applicable Disclosure Statement has already been submitted, the offeror may satisfy the requirement for submission by providing the information requested in paragraph (c) of Part I of this provision.

Caution: In the absence of specific regulations or agreement, a practice disclosed in a Disclosure Statement shall not, by virtue of such disclosure, be deemed to be a proper, approved, or agreed-to practice for pricing proposals or accumulating and reporting contract performance cost data.

(c) Check the appropriate box below:

(1) *Certificate of Concurrent Submission of Disclosure Statement.* The offeror hereby certifies that, as a part of the offer, copies of the Disclosure Statement have been submitted as follows:

(i) Original and one copy to the cognizant Administrative Contracting Officer (ACO) or cognizant Federal agency official authorized to act in that capacity (Federal official), as applicable; and

(ii) One copy to the cognizant Federal auditor.

(Disclosure must be on Form No. CASB DS-1 or CASB DS-2, as applicable. Forms may be obtained from the cognizant ACO or Federal official and/or from the loose-leaf version of the Federal Acquisition Regulation.)

Date of Disclosure Statement: _____
Name and Address of Cognizant ACO or Federal
Official Where Filed: _____

The offeror further certifies that the practices used in estimating costs in pricing this proposal are consistent with the cost accounting practices disclosed in the Disclosure Statement.

(2) *Certificate of Previously Submitted Disclosure Statement.* The offeror hereby certifies that the required Disclosure Statement was filed as follows:

Date of Disclosure Statement: _____ Name and
Address of Cognizant ACO or Federal Official Where Filed:

The offeror further certifies that the practices used in estimating costs in pricing this proposal are consistent with the cost accounting practices disclosed in the applicable Disclosure Statement.

(3) *Certificate of Monetary Exemption.* The offeror hereby certifies that the offeror, together with all divisions, subsidiaries, and affiliates under common control, did not receive net awards of negotiated prime contracts and subcontracts subject to CAS totaling \$50 million or more in the cost accounting period immediately preceding the period in which this proposal was submitted. The offeror further certifies that if such status changes before an award resulting from this proposal, the offeror will advise the Contracting Officer immediately.

(4) *Certificate of Interim Exemption.* The offeror hereby certifies that

(i) the offeror first exceeded the monetary exemption for disclosure, as defined in (3) of this subsection, in the cost accounting period immediately preceding the period in which this offer was submitted and

(ii) in accordance with 48 CFR 9903.202-1, the offeror is not yet required to submit a Disclosure Statement. The offeror further certifies that if an award resulting from this proposal has not been made within 90 days after the end of that period, the offeror will immediately submit a revised certificate to the Contracting Officer, in the form specified under subparagraph (c)(1) or (c)(2) of Part I of this provision, as appropriate, to verify submission of a completed Disclosure Statement.

Caution: Offerors currently required to disclose because they were awarded a CAS-covered prime contract or subcontract of \$50 million or more in the current cost accounting period may not claim this exemption (4). Further, the exemption applies only in connection with proposals submitted before expiration of the 90-day period following the cost accounting period in which the monetary exemption was exceeded.

II. Cost Accounting Standards -- Eligibility for Modified Contract Coverage

If the offeror is eligible to use the modified provisions of 48 CFR 9903.201-2(b) and elects to do so, the offeror shall indicate by checking the box below. Checking the box below shall mean that the resultant contract is subject to the Disclosure and Consistency of Cost Accounting Practices clause in lieu of the Cost Accounting Standards clause.

The offeror hereby claims an exemption from the Cost Accounting Standards clause under the provisions of 48 CFR 9903.201-2(b) and certifies that the offeror is eligible for use of the Disclosure and Consistency of Cost Accounting Practices clause because during the cost accounting period immediately preceding the period in which this proposal was submitted, the offeror received less than \$50 million in awards of CAS-covered prime contracts and subcontracts. The offeror further certifies that if such status changes before an award resulting from this proposal, the offeror will advise the Contracting Officer immediately.

Caution: An offeror may not claim the above eligibility for modified contract coverage if this proposal is expected to result in the award of a CAS-covered contract of \$50 million or more or if, during its current cost accounting period, the offeror has been awarded a single CAS-covered prime contract or subcontract of \$50 million or more.

III. Additional Cost Accounting Standards Applicable to Existing Contracts

The offeror shall indicate below whether award of the contemplated contract would, in accordance with subparagraph (a)(3) of the Cost Accounting Standards clause, require a change in established cost accounting practices affecting existing contracts and subcontracts.

yes no

(End of Provision)

Section L

Instructions, Conditions, and Notices to Offerors

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

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

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

<http://farsite.hill.af.mil> (all provisions) and <http://www.arnet.gov/far>.

The following FAR and DFARS clauses are incorporated by reference:

Paragraph	Clause Title	Date
52.204-6	Data Universal Numbering System (DUNS) Number (IAW FAR 4.603[a])	Apr 2008
52.211-14	Notice of Priority Rating for National Defense Use (IAW FAR 11.604[a]) For the purposes of this provision, the blanks are completed on the cover sheet.	Apr 2008
52.215-1	Instructions to Offerors—Competitive Acquisitions (IAW FAR 15.209[a])	Jan 2004
52.215-1	Alt II (IAW FAR 15.209[a][2])	Oct 1997
52.215-16	Facilities Capital Cost of Money – see Clause H.10 (IAW FAR 15.408[h])	Jun 2003
52.215-20	Requirement for Cost or Pricing Data or Information other than Cost or Pricing Data Alt IV (IAW FAR 15.408[l][4])	Oct 1997
52.222-24	Pre-award On-Site Equal Opportunity Compliance (Evaluation) (IAW FAR 22.810[c])	Feb 1999

Paragraph	Clause Title	Date
52.237-1	Site Visit (IAW FAR 37.110[a])	Apr 1984
252.204-7001	Commercial and Government Entity (CAGE) Code Reporting (IAW DFARS 204.602-70)	Aug 1999

(End of provision)

L.2 Information to Offerors

L.2.1 General Information

L.2.1.1 Contractor Selection

Selection of a Contractor will be based on a best value determination consistent with the evaluation factors described in Section M, *Evaluation Factors for Award*. Pursuant to the provisions of the clause at FAR 52.215-1, *Instructions to Offerors – Competitive Acquisition*, the Government intends to evaluate and award a contract without discussions with Offerors (except clarifications as described in FAR 15.306(a)). Therefore, the Offeror's initial proposal should contain the offeror's best terms from a cost or price and technical standpoint. The Government reserves the right to conduct discussions if the Contracting Officer later determines them to be necessary.

L.2.1.2 Point of Contact

The Procuring Contracting Officer (PCO) is the sole point of contact for this acquisition. Address any and all questions or concerns in writing to the PCO no later than 30 days prior to the Proposal Due Date.

Name: Laura J. Carlson

Address: 8725 John J. Kingman Road, Suite 3830; ATTN: DESC-EB

City, State, Zip Code: Fort Belvoir, VA 22060-6222

Fax no: 703-767-2382

E-mail: Laurie.Carlson@dla.mil

L.2.1.3 Debriefings

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

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

L.2.1.4 Use of Non-Government Advisors

Offerors are advised that data submitted to the Government in response to this solicitation may be released to non-government advisors for review and analysis. These advisors may be required to provide advice within their area of expertise regarding proposal strengths, weaknesses, inadequacies, risks, and deficiencies. Non-government advisors will be subject to civil and criminal penalties associated with any release of information pursuant to FAR 3.104.

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

Northrop-Grumman, S&A Environmental Consultants, and AECOM.

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

L.2.1.5 Site Visits and Preproposal Conferences

Pursuant to FAR 52.237-1, *Site Visit*, a site visit(s) will be scheduled (see below). All Offerors intending to submit an offer on a utility system may attend the site visit. The site visit is intended to provide prospective Offerors with adequate information to prepare proposals. Pot holing (digging up underground utilities to check/verify condition) by the attendees during the site visit will not be permitted. In conjunction with the site visit(s), a pre-proposal conference will be held where Offerors will be given the opportunity to ask questions. Results of the pre-proposal conference will be documented and made available to all interested Offerors.

The following is the schedule for the site visits and pre-proposal conference (subject to change):

(1) Pre-proposal Conference:

Installation	Date	Time
Minot AFB, North Dakota	March 5, 2009	10:00 am

(2) Site Visit

Installation	Date	Time
Minot AFB, North Dakota	March 5, 2009	1:00 pm

NOTE: At any time, Offerors may request additional site-visits through the Contracting Officer which may be provided at the discretion of the installation.

L.2.1.6 Technical Library

A Technical Library will be available from the date of the site visit until 45 days after award for Offerors to view data related to utility systems. Offerors should contact the CO to arrange entrance into the Library. The Technical Library is located at Minot AFB. Technical Libraries will be available electronically to the maximum extent practicable. Non-disclosure agreements may be required.

L.2.1.7 Proprietary Information

Information deemed by the Offeror to be proprietary shall be clearly marked as proprietary information. Proposals submitted in response to this solicitation will not be returned.

L.2.1.8 Period of Validity

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

L.2.2 Number of Awards

If the Offeror is awarded multiple systems, then a single contract will be awarded for the systems. Therefore, the number of awards may be less than the number of systems listed in the RFP.

L.2.3 Protests

L.2.4.1 52.233-2 Service of Protest (Sept 2006)

(a) Protests, as defined in section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the Government Accountability Office (GAO), shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgment of receipt from: See Block 8 of SF 33.

(b) The copy of any protest shall be received in the office designated above within one day of filing a protest with the GAO.

L.2.4.2 AGENCY PROTESTS (SEP 1999) - DLAD

AGENCY PROTESTS (SEP 1999) - DLAD

Companies protesting this procurement may file a protest (1) with the Contracting Officer, (2) with the Government Accountability Office, or (3) pursuant to Executive Order No. 12979, with the Agency for a decision by the Activity's Chief of the Contracting Office. Protests filed with the Agency should clearly state that they are an "Agency Level Protest under Executive Order No. 12979." (NOTE: DLA procedures for Agency Level Protests filed under Executive Order No. 12979 allow for a higher level decision on the initial protest than would occur with a protest to the Contracting Officer; this process is not an appellate review of a Contracting Officer's decision on a protest previously filed with the Contracting Officer.) Absent a clear indication of the intent to file an agency level protest, protests will be presumed to be protests to the Contracting Officer.

(DLAD 52.233-9000)

L.3 Proposal Preparation Instructions – General

This section provides general guidance for preparing proposals and proposal revisions, as well as specific instructions on the format and content of the proposal. The Offeror's proposal must include all data and information requested by these instructions and must be submitted in accordance with these instructions.

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

NOTE: The Government does not currently utilize Microsoft Vista. Submissions using Microsoft Vista will not be accepted.

L.3.1 Proposal Organization/Page Limits

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

Volume	Paragraph Number	Title	Maximum Page Limit
I		Technical Proposal (Written)	200 (PER SYSTEM)
II		Past Performance	50 (TOTAL)
III		Contract Documentation	None
IV		Price Proposal	None

L.3.2 Proposal Format

The proposal shall be clear and concise, and shall include sufficient detail for effective evaluation and for substantiating the validity of stated claims. The proposal shall not simply restate or rephrase the Government's requirements, but rather provide a convincing rationale explaining how the Offeror intends to meet these requirements. Offerors shall assume that the Government has no prior knowledge of their facilities and experience, and will base its evaluation on the information presented in the Offeror's proposal. Each volume shall be written on a stand-alone basis so that its contents may be evaluated without cross-referencing. Elaborate graphics, multi-media functions (for example, video clips or sound bites), or other embellishments are not desired.

L.3.3 Distribution

Offeror shall submit a signed original hard copy with each volume in a separate three-ring binder. The Offeror should also submit 4 electronic copies on CD for a total of 1 hard copy and 4 soft copies of the Offeror's proposal.

L.3.4 Electronic Media

Offerors shall submit their electronic proposals on CD ROM disks. All volumes shall be submitted on one CD. With the exception of the Price Proposal, Offeror shall submit proposal files in *Windows 98 or newer version* format with a table of contents (roadmap) of the proposal structure. The minimum requirement for hypertext link is a table of contents linked to each file provided in the proposal. Additional hypertext links within the proposal are at the Offeror's discretion.

The Price Volume shall be submitted in application-specific files developed and saved using the following versions of Microsoft software: *Windows 98 or newer version*.

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

directory. Each CD shall contain an electronic label, which is to be established on the CD when the CD is formatted. No password-protected, zipped, or self-extracting files shall be used.

Each offeror shall provide virus free CDs and shall certify that they are virus free. Offerors are reminded that if the hard copy version contains restrictive legends the CD shall contain the same markings.

L.3.5 Pages and Typing

Page size shall be 8½ by 11 inches (*Windows 98 or newer version* portrait format) or 11 by 8½ inches (*Windows 98 or newer version* landscape format). Landscape pages may be used only for large tables, charts, graphs, and diagrams, not for pages of text. Page size 11 by 17 inches may only be used for tables, figures/diagrams, illustration/drawings, and maps. Pages sized 11 by 17 inches will be counted as two pages.

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

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

Each page shall be counted except for the following: cover pages, table of contents, cross-reference matrix, tabs, glossaries, and attachments (tariffs, statutes, operating manuals, performance specifications, etc).

L.3.6 Cost or Pricing Information

All cost or pricing information, except that described below, shall only be addressed in the price proposal. Cost trade-off information, work-hour estimates, and material kinds and quantities may be used in other volumes as appropriate to support design and trade-off decisions.

L.3.7 Proposal Structure

Each section or part of the Offeror's proposal shall clearly identify the specific solicitation requirements it addresses.

L.3.8 Cross-Reference Matrix

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

L.3.9 Glossary of Abbreviations and Acronyms

The Government recommends that each volume contain a glossary of abbreviations and acronyms. Glossaries will not count against the page limitations for their respective volumes.

L.3.10 Documents Incorporated by Reference

Offerors may incorporate by reference documents such as statutes, tariffs, operating manuals, performance specifications, etc. within the proposal volumes. However, the full text documents shall be provided in a separate volume to the proposal.

L.3.11 Proposal Revisions

When submitting revised proposals Offerors shall submit changes in accordance with the following:

1. Proposal revisions shall be submitted as one original paper copy as well as 1 extra hard copy and 4 electronic copies on CD ROM disks, 2 with changes shown and 2 with changes accepted.
2. In the upper right corner of each revised page, include the Offeror's name, exact location (volume, section, page number, etc.) within the original proposal, and date of transmittal.
3. Changes shall be marked by a change bar in the margin to indicate the changed part of each page or for file formats without this capability, a separate table shall be submitted indicating the location of each change and identifying the nature of the change.
4. If the revision exceeds one page, each page shall be marked with the page number it is replacing and a numerical or alphabetical extension (i.e. 93-a...93-d).
5. For each deleted page, a blank page shall be submitted denoted with "page intentionally left blank" and the original page number.

L.4 Proposal Preparation Instructions – Volume I: Technical Proposal

The Technical Proposal Volume must be specific and complete. A separate Volume I must be submitted for each type of utility system included in the proposal. For proposals that include the same type of utility system on more than one Installation a single volume may be submitted. However, Offerors shall specifically address Installation specific requirements as part of the volume.

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

The technical proposal shall specifically address each of the Technical Capability subfactors.

The Technical Capability subfactors are:

1. Service Interruption/Contingency and Catastrophic Loss Plan
2. Operations and Maintenance Plan/Quality Management Plan
3. Initial System Deficiency Corrections and Initial Renewals and Replacements Plan
4. Operational Transition Plan
5. Financial Strength

L.4.1 Subfactor 1: Service Interruption/Contingency and Catastrophic Loss Plan

Offeror shall submit a Service Interruption/Contingency and Catastrophic Loss Plan in accordance with the applicable requirements of Section C, *Description/Specifications/Work Statement*, Section C, *Response to Service Interruptions/Contingencies and Catastrophes* and Section C, *Repair Response Procedures*. The Service Interruption/Contingency and Catastrophic Loss Plan will be incorporated into the contract at time of award.

The Service Interruption/Contingency and Catastrophic Loss Plan shall, at a minimum, address the following:

1. Defined procedures and provisions for reacting to all service interruptions.
2. Resources to be utilized in the implementation of the procedures described in the Plan including a description of the staffing and management personnel that will be available to ensure prompt response to emergency situations.
3. Detailed contingency plan of action (including Government notifications).
4. Estimated response times for each type of service call (e.g. emergency, urgent, and routine).
5. Describe the procedure for handling each type of service call (e.g. emergency, urgent, and routine) from notification to completion (use diagrams, Gantt Charts, flow chart, etc. if necessary).
6. Estimated time for reestablishment of temporary service.
7. Estimated time for reestablishment of permanent service.
8. Emergency Restoration Plan in the event of widespread utility outage.
9. Installation specific requirements.
10. Address possible causes for service interruptions and show how each would be handled both internally and externally by the offeror including, but not necessarily limited to, acts of God, natural disasters, human error, equipment failure, and employee strikes.
11. Catastrophic Loss Plan as required by Section H, *Catastrophic Loss*.

L.4.2 Subfactor 2: Operations and Maintenance/Quality Management Plan

Offeror shall submit an Operations and Maintenance/Quality Management Plan in accordance with the requirements the operation and maintenance QM Section of Section C of this solicitation. Regulated utilities who have submitted documents similar to the requested QMP to their State Utility Regulatory Commission may submit that documentation in lieu of the specifically requested information in this section. The Operation and Maintenance/Quality Management Plan will be incorporated into the contract at time of award. The Plan shall describe the Offeror's operations and maintenance and quality management policies and procedures. The Plan shall propose performance standards and/or specifications for the provision of utility service.

When developing the Plan, the elements listed below (Table L-1) should be considered if applicable.

TABLE L-1
 Service Standards Criteria

Water System	Wastewater System	Electric System
Quality	Effluent Quality	Quality
Reliability	Reliability	Reliability
Recurring and Preventative Maintenance	Recurring and Preventative Maintenance	Recurring and Preventative Maintenance
Sampling/ Analysis	Sampling/ Analysis	Availability
Maintaining System Pressure	Permitting	Voltage Regulation
Demand and Distribution Capacity	Demand and Collection Capacity	Demand and Distribution Capacity
Water Storage Requirements	Pre-Treatment Requirements	Limitation of Fault Current
Fire Flow Capacity/ Duration	(Left Blank)	(Left Blank)
Corrosion Control (To Include Cathodic Protection)	Corrosion Control (To Include Cathodic Protection)	Corrosion Control
Minimization of Leaks and Losses	(Left Blank)	Lightning Protection and Harmonics Problems
Minimization of Water Use	Minimization of Inflow and Infiltration	Minimization of System Losses and Power Factor Corrections
Safety of Government Personnel and Property	Safety of Government Personnel and Property	Safety of Government Personnel and Property
Service Connection Standards and Specifications	Service Connection Standards and Specifications	Service Connection Standards and Specifications
Exterior Backflow Prevention	Blockages and Cross Connections	(Left Blank)

Water System	Wastewater System	Electric System
Water and Sewer Line Separation	Water and Sewer Line Separation	Line Separation
New Construction Standards	New Construction Standards	New Construction Standards
Commissioning Standards	Commissioning Standards	Commissioning Standards
Color Identification and Markings	Color Identification and Markings	Color Identification and Markings
System Inspections	System Inspections	System Inspections
Meter and Equipment Calibration	Meter and Equipment Calibration	Meter and Equipment Calibration
Service Interruption Frequency	Service Interruption Frequency	Service Interruption Frequency
Operating Permits	Operating Permits	Operating Permits
Employee Certifications	Employee Certifications	Employee Certifications
Disaster Recovery	Disaster Recovery	Disaster Recovery

The utility system(s) shall be operated and maintained in accordance with all applicable federal, state, and local laws/regulations and the most current version of any specific requirements defined in the utility-specific attachments (Section J). At a minimum, performance standards and/or specifications shall follow best engineering and management practices consistent with the following:

1. Electric distribution system(s): National Electric Safety Code (American National Standards Institute (ANSI)-C2), National Electrical Manufacturers Association (NEMA), National Electric Code (NFPA-70), and current reference materials published by the Institute of Electrical and Electronic Engineers (IEEE), the Illuminating Engineering Society (IES), and the Insulated Cable Engineers Association (ICEA).
2. Water distribution and wastewater collection system(s): The most recent edition of reference materials published by the American Water Works Association (AWWA), Water Environment Federation (WEF), American Society of Civil Engineers (ASCE), National Fire Protection Association (NFPA), and Factory Mutual Global.
3. Additional standards for operations and maintenance of the utility system the Offeror proposes.

Additionally, the Quality Management section of the Plan shall include, but is not limited to, the following:

1. A comprehensive narrative description of how the Offeror plans to operate and maintain the utility system(s) in a manner that will satisfy, at a minimum, the requirements in this solicitation.
2. Processes for obtaining customer feedback and translating feedback into appropriate process improvements.
3. A comprehensive narrative description of how the Offeror plans to implement a proven system of inspections or other quality assessment procedures and techniques.
4. Record keeping processes.
5. For wastewater treatment systems, an Environmental Compliance Plan from waste generation through waste discharge or disposal. This plan shall clearly define all interface points and responsibilities for transferring materials from the wastewater system between the Government, Contractor, disposal facilities, and any regulatory bodies.
6. For each of the proposed performance standards and/or specifications, if applicable, listed in Table L-1, a description of how the performance standard and/or specification will be met.
7. Standards and specifications not established anywhere else in the solicitation.
8. Definition of the process by which Government requested facility expansions would be implemented by the Offeror.
9. Description of how the proposal satisfies the requirements related to compliance with applicable environmental, safety and OSHA laws and regulations.
10. A listing and description of opportunities for efficiencies in utility operations. Opportunities for efficiencies will consist of market based solutions to improve system utilization as well as technological enhancements. The Offeror will also identify cost savings associated with the opportunities for efficiencies included within its proposal.
11. Description of how technical information shall be managed and the means by which access will be provided to the Government and other Government Contractors.
12. Specialty skills training (if required)
13. Offeror may describe any quality awards or certifications that indicate the Offeror possesses a high-quality process for providing required services. Such awards or certifications include, for example, the Malcolm Baldrige Quality Award, other government quality awards, and private sector awards or certifications.

If relevant, regulated utilities may cite current operating standards and procedures required by the state utility regulatory commission in satisfaction of the above requirements.

L.4.3 Subfactor 3: Initial System Deficiency Corrections and Initial Renewals and Replacements Plan

Offeror shall submit an Initial System Deficiency Corrections and Initial Renewals and Replacements Plan in accordance with applicable requirements of Section C, *Description/Specifications/Work Statement*. An Initial System Deficiency Corrections and Initial Renewals and Replacements Plan will be incorporated into the contract at time of award.

The Initial System Deficiency Corrections and Initial Renewals and Replacements Plan shall describe in detail the purpose, scope and cost of the Initial System Deficiency Corrections and provide a detailed description of the Offeror's procedures for identifying, financing and scheduling long-term capital renewals and SDC/Upgrades. The plan shall include, at a minimum, the following:

1. Detailed description of how the Offeror will correct all Government recognized system deficiencies of the utility system, as outlined in the utility specific Section J, together with a detailed initial Renewals and Replacement Plan. In addition, the Offeror shall provide a detailed Initial System Deficiency Correction/Connection Charges/Transition Period (B.7.4 Schedule 3) to be included with the technical proposal (**without costs**).
2. Identification, justification, and detailed description of any Offeror-recommended additional SDC/Upgrades and/or improvements to increase the efficiency of system operations.
3. As applicable, conceptual plans for, including methods for monitoring the effectiveness of, energy efficiencies and conservation projects for purposes as defined in paragraph C.3.4, *Energy and Water Efficiencies and Conservation*.
4. Conceptual methodology that will be used for scheduling renewals and replacements for the duration of the contract to ensure long-term efficient level of service. In addition to the conceptual methodology, the Offeror shall provide the detailed 50-year renewal and replacement schedule (B.7.3 Schedule 2) should be included with the technical proposal (**without costs**).
5. Describe in detail the Offeror's procedures for identifying, financing and scheduling long-term capital renewals and SDC/Upgrades.
6. Description of proposed process for satisfactorily responding to requests made by the Government for system enhancements, including financing and Installation arrangements.

L.4.4 Subfactor 4: Operational Transition Plan

The Offeror shall submit an Operational Transition Plan in accordance with Section C, *Operational Transition Plan*. The transition plan shall propose an adequate schedule for turnover of the facilities, equipment, permits, operation and maintenance, and other responsibilities to include any new construction, installation of meters required for utility billing, turnover of meter readings and billing responsibilities, and the process for evaluating existing employees for employment. The Operational Transition Plan should discuss any system condition that might require the Offeror to accomplish work in advance of title transfer. An appropriate remedy for the condition should be proposed as part of the Offeror's SDC/Upgrades plan. The Operational Transition Plan shall clearly define all Offeror personnel holding authority to sign for transfer of operations and property. This shall include the name, title, and clear definition of authority or limitations in authority for each person who will sign for acceptance of final transition. The paragraphs below constitute the minimum requirements for the Operational Transition Plan. Installation and utility-specific transition items are listed in the utility-specific attachments (Section J). In no case will the Government sign off any transition element until the Contractor demonstrates full capability or the element is otherwise completed.

L.4.4.1 Contract Start Date

The Offeror shall propose a date on which the Offeror will assume full responsibility for the utility system(s) and for providing utility service(s) (Section F, *Commencement of Service*). The Offeror will also outline its plans for onsite familiarization and the transition of system operations including procedures for operation and maintenance during the transition.

L.4.4.2 Connection Requirements

The Operational Transition Plan shall include a plan and schedule for the construction of new connections, if identified in the utility-specific attachments (Section J), or any new connections as

proposed by the Offeror. The Operational Transition Plan shall include procedures for notification of any related outages.

L.4.4.3 New Meter Requirements

The Operational Transition Plan shall include a plan and schedule for installing new meters, if identified in the utility-specific attachments (Section J) or, any new meters as may be proposed by the Offeror. All new meters required by this contract shall be installed within 30 days of the start of the performance period.

L.4.4.4 Permits and Procedures

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

L.4.4.5 Inventory and Transfer Requirements

Contractor developed checklists will be the basis for the transfer of operations to the Contractor.

L.4.4.5.1 Inventory and Transfer of Facilities and Fixed Equipment

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

L.4.4.5.2 Inventory and Transfer of Non-fixed Equipment, Spare Parts, and Personal Property

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

L.4.4.5.3 Transfer of Manuals and Records

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

L.4.4.5.4 Joint Inventory

The joint inventory will be completed prior to the start of the performance period. The final Easement and Bill of Sale will be amended to reflect the results of the joint inventory.

L.4.4.6 Initial Meter Readings

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

L.4.4.7 Authorized Personnel and Points of Contact

The Operational Transition Plan shall clearly define all Offeror personnel holding authority to sign for transfer of operations and property. The Operational Transition Plan shall also provide Offeror points of contact (names and phone numbers) for work to be performed under the contract.

L.4.5 Subfactor 5: Financial Strength

Offeror(s) shall submit documentation of financial capabilities in accordance with Section M, *Evaluation Factors and Subfactors*. Financial capability shall demonstrate that the Offeror is in sound financial condition and has the ability to secure the necessary financing to meet the financial and capital requirements of the utility system at present and in the future. Offerors shall describe in detail their capability to finance the utility system purchase price, CIAC tax payment and capitalization principal, renewals and replacements, and SDC/Upgrades. Additionally, Offerors may describe how they will utilize other financial instruments (e.g., performance bonds, additional insurance coverage, etc.) to mitigate operational risks to the Government over the term of the contract.

At a minimum, the Offeror shall submit the following criteria for the past five years; Interest Coverage, Funds from Operation (FFO) to Interest Ratio, FFO to Total Debt Percentage, Total Debt to Total Capital Ratio (Debt Ratio), and Disaster Recovery Ratio (DRR), in order to accurately characterize the Offeror’s financial condition. Offerors should also submit current bond ratings (e.g. from Moodys, Standard and Poors, or any other investment publication).

Ratio	Year X	Year X-1	Year X-2	Year X-3	Year X-4
1. Interest Coverage					
2. Funds from Operation (FFO) to Interest Ratio					
3. FFO to Total Debt Percentage					
4. Total Debt to Total Capital Ratio					
5. Disaster Recovery Ratio (DRR)					

DEFINITIONS:

Interest Coverage: Pretax Operating Income / Gross Interest Expense

Funds From Operations (FFO): Net Income + Depreciation + Deferred Taxes + Investment Tax Credits + Allowance for Funds Used During Construction (AFUDC) + Deferrals + Other FFO Adjustments

Average Total Debt: (Long-Term Debt + Short-Term Debt) of current period / 2 + (Long-Term Debt + Short-Term Debt) of prior period / 2

Interest Expense: Gross Interest Expense as the sum of Long-Term and Short-Term interest (e.g. before any deduction for the debt portion of AFUDC)

Total Debt: Short-Term Debt + Long-Term Debt

Total Capital: Short-Term Debt + Long-Term Debt + Preferred Stock + Common Equity

Disaster Recovery Cash Requirement (DRCR): Replacement Cost New x Maximum Recovery Ratio (defined as the maximum proportion of the installation's utility system likely to be destroyed in a disaster or catastrophe)

Maximum Proportion of Utility System able to be destroyed =

Electric – Mostly Overhead = 75% x Utility Plant (Replacement Cost New)

Electric – Mostly Underground = 15% x Utility Plant (Replacement Cost New)

Natural Gas = 20% x Utility Plant (Replacement Cost New)

Water – with Elevated Storage = 35% x Utility Plant (Replacement Cost New)

Water – without Elevated Storage = 10% x Utility Plant (Replacement Cost New)

Wastewater – with Treatment = 35% x Utility Plant (Replacement Cost New)

Wastewater – without Treatment = 10% x Utility Plant (Replacement Cost New)

Disaster Recovery Ratio (DRR): DRCR / Total Capital

L. 5 Proposal Preparation Instructions – Volume II: Past Performance

The Offeror shall submit to the Contracting Officer its past performance information (contact references per Attachment J39, *Past Performance Information*) with its proposal. An original hard copy of the Offeror's past performance information shall be submitted within a three-ring binder.

Offerors shall provide information for at least two but not more than 6 of its largest customers about their past performance on projects of similar complexity and type as that required in the RFP for each system upon which the offeror intends to submit proposal. Offerors shall present the information requested in J39 as part of their proposal for both the Offeror and major (over \$500,000) proposed subcontractors. Past performance references and contracts submitted may include those with Federal, state, or local governments, and those with commercial or private customers of similar scope, size and complexity for efforts similar to the Government requirement. Projects cited and references should be recent (within the last 5 years of the date of the proposal). Reference information should include the name and address of the customer, primary point of contact and telephone number, email address, and a brief description of the services and facilities provided.

If the Offeror fails to provide valid client contacts or references fail to respond, past performance references may not be considered. The Government may contact the Offeror's references to determine customer satisfaction with the Offeror's performance.

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

1. Name of acquisition or project.
2. Brief description of contract or subcontract.
3. Total contract value.
4. Period of performance.
5. Principal parties involved, telephone numbers, and email addresses .

The Offeror shall provide references for any proposed subcontractors that will be performing a significant portion of the work, and for each firm participating in a joint venture or teaming arrangement. A Standard Form 294 is a suitable alternative.

The Offeror shall provide a written statement concerning its status with any independent Federal, state, or local regulatory authority with jurisdiction over each utility service on which the Offeror is proposing. The statement should include discussion on any violations, penalties, or other enforcement actions taken against the Offeror within the last five (5) years. The Offeror should not include information on any current investigations if releasing such information would be deemed a violation of law. The statement should include the following:

1. Name of regulatory authority.
2. Address, telephone number, and email address of authority.
3. Point of contact within the authority for verification.

L.6 Proposal Preparation Instructions – Volume III - Contract Documentation

L.6.1 Standard Form (SF) 33 & Representations and Certifications

Volume III shall include the following:

1. A completed, signed and dated SF 33. The original document should be clearly marked under separate cover and should be provided without any punched holes.
2. Completed Annual Representation and Certification FAR 52.204-8 provided in Section K.
3. Completed electronic annual representations and certifications at <http://orca.bpn.gov> in conjunction with required registration in the Central Contractor Registration (CCR) database. Offerors are requested to include a hard copy of their ORCA submission in Volume III.
4. Completed Cost Accounting Standards (CAS) Notices and Certification FAR 52.230-1 (Oct 2008) provided in Section K for Offerors subject to CAS or statement citing exemption from CAS.

L.6.2 Alternate Proposals and Exceptions to Terms and Conditions

The Government encourages the submission of alternate proposals, which add value when compared with the requirements in the RFP. If submitting an alternate proposal, provide a rationale explaining the advantages of the alternate proposal to the Government. In addition, exceptions may be taken to individual terms and conditions of the RFP. Exceptions taken to individual terms and conditions of the RFP shall be clearly identified. Each exception shall be specifically related to each paragraph and/or specific part of the RFP to which the exception is taken. Provide a rationale in support of the exception, explaining its effect in comparison with the original requirements of the RFP. This information shall be provided in the format and content of the table below. Unless included in this volume, no exceptions to terms and conditions will be assumed and any resultant contract will incorporate the terms and conditions of the RFP.

RFP Exceptions

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

L.6.2.1 Waiver of Applicability of Cost Accounting Standards and Deviations from Specific Parts of Federal Acquisition Regulation (FAR) Part 31

L.6.2.1.1. CAS Waiver

Offerors subject to Cost Accounting Standards (See FAR Part 30 and FAR 52.230-1 Cost Accounting Standards Notice and Certification included in this Request for Proposal), who seek a waiver of CAS requirements as allowed by the Cost Accounting Standards Board (<http://www.acq.osd.mil/ie/irm/utilities/utilitiesLawsPolicyReferenceDocuments.shtml>) must submit the following information in writing as part of their offer:

1. Certification that the business segment offering will not, at the time of award, be performing on any other contract that is subject to Cost Accounting Standards;
2. Disclosure of the offeror's established accounting practices for allocating costs to contracts for which CAS has been waived;
3. Certification that offer will consistently use the disclosed practices to prepare current and future pricing

Additionally, all the following provisions must be met for a CAS Waiver to be pursued:

1. The contract type must be Firm-Fixed Price (FFP), Fixed-Price with Economic Price Adjustment (FPEPA), or Fixed-Price with Prospective Price Redetermination (FPPPR).
2. Cost or Pricing Data as defined in the FAR was not obtained during the award process.
3. Accounting practices used must be disclosed and comply with those laid out in Clause G.4.2.
4. Contractor agrees that adjustments to contract pricing can be made by the Government if accounting practices disclosed are not used (See Clause G.4.1).
5. Any resulting contract includes FAR Clause 52.215-2.
6. For FPPPR contracts, statutorily unallowable costs and costs typically not allowed by cognizant State regulatory bodies (as applicable) are not used for price redetermination (see Clause H.3).

L.6.2.1.2. FAR Part 31 Deviation

Offerors seeking a waiver from any otherwise applicable FAR Part 31 provisions, as permitted by the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (OUSD-AT&L) deviation dated August 13, 2007

(<http://www.acq.osd.mil/ie/irm/utilities/utilitiesLawsPolicyReferenceDocuments.shtml>), must provide the following information and the following criteria must be met:

1. FAR 31.205-20 Interest and Other Financial Costs.
 - a. A description as to why allowing costs otherwise disallowed by the cost principle will significantly reduce the costs to the Government under any resulting contract or price adjustment

- b. Interest costs must be directly related financial costs incurred to obtain loans or borrow capital from third-party financial institutions and are reasonable
2. FAR 31.205-41 Taxes
- a. For Federal Income Tax directly related to a Contribution in Aid of Construction (CIAC) Tax, an offer should be constructed in a manner to ensure no such tax liability is incurred. However, if, prior to award, a CIAC liability is identified, the offer shall notify the Contracting Officer and provide a written description as to why the liability exists, the amount of the liability, and why an offer cannot be structured to eliminate the tax.
 - b. The allowable portion of any CIAC obligation would be limited to the portion of the actual CIAC tax attributable to the difference between:
 - i. The fair market value determinations of the Government using a generally accepted valuation methodology, and
 - ii. The fair market value determination of the Internal Revenue Service in assessing the tax.
 - c. Please refer to Section H.11 for CIAC obligations arising after contract award.
3. General Deviation from FAR Part 31
- a. The following criteria must be met in order for a waiver to be granted:
 - i. Offeror must request a waiver from FAR Part 31, or a specific part of FAR Part 31, and provide a rationale as to why it is in the best interest of the Government to do so.
 - ii. The contract contemplated must be FPPPR and include FAR Clause 52-215-2.
 - iii. The offer must be either exempt from CAS or have CAS requirements waived for the contract.
 - iv. The business segment performing the contract may not be, at the time of contract award, currently performing on any other contract that is subject to the provisions of FAR Part 31.
 - v. The initial fixed-price and/or price redeterminations must:
 - 1. Meet the limitations for any deviation granted from FAR 31.205-30, Interest and other financial costs
 - 2. Meet the limitations specified for any deviation granted from FAR 31.205-41 Taxes.
 - 3. Exclude costs listed in 10 U.S.C. 2324 (e).
 - 4. If a regulated entity, exclude costs typically considered to be unallowable by the cognizant State regulatory body.

L.6.3 Other Required Information

L.6.3.1 Authorized Personnel

The Offeror shall provide the name, title, address, e-mail, fax, and telephone number of the company representative(s) who can obligate the Offeror contractually. Also, identify those individuals authorized to negotiate with the Government providing the same information requested above.

L.6.3.2 Subcontracting Plan (Other Than Small Business)

Each other than small business Offeror shall submit a Subcontracting Plan as part of its proposal submission (see J-41). The plan shall be prepared in accordance with FAR 52-219-9, *Small Business Subcontracting Plan* and will also be reviewed against the statutory goal applicable to all federal agencies of 23 percent commitment of total subcontracting dollars to small businesses. Of the 23 percent, 5 percent shall be committed to Small Disadvantaged Businesses SDBs, 5 percent to Women-Owned Small Businesses, and 3 percent to HUBZones Businesses, and 3 percent to Service-Disabled Veteran-Owned Small Businesses. If the Offeror cannot meet any or all of the goals specified, complete rationale/justification shall be provided.

Regulated public entities with a Subcontracting Plan that has been filed with the General Services Administration (GSA) pursuant to a GSA Area Wide contract may comply with this proposal instruction requirement by incorporating such Subcontracting Plan by reference and including it in their initial offer.

L.6.3.3 Socioeconomic Plan

Offerors shall submit a plan that demonstrates their commitment to providing subcontracting opportunities to small businesses (which include small businesses, small disadvantaged businesses, HUBZone small businesses, women-owned small businesses, and Veteran-owned small businesses) and historically black colleges or universities and minority institutions. **All Offerors regardless of business size are required to provide a socioeconomic plan.** Small businesses will be credited for the dollar value/percentage of the work they perform as if the work were subcontracted to a small business concern. Work performed in-house by the Offeror, as a small business, shall be identified in the socioeconomic plan..

SOCIOECONOMIC PLAN: In addition to any subcontracting plan required by FAR Clause 52.219-9, describe the extent of participation of small businesses (which include small businesses, small disadvantaged businesses, HUBZone small businesses, women-owned small businesses, and Veteran-owned small businesses) and historically black colleges or universities and minority institutions in performance of the contract whether as a joint venture, teaming arrangement, or subcontractor. As part of this description the Offeror shall include:

1. A description of the efforts the Offeror will make to assure that small businesses and/or Historically Black Colleges/Universities or Minority Institutions (HBCUs/MIs) will have equal opportunity to provide supplies, services, or support under any resulting contract.
2. A description of the Offeror's current and planned proposed range for services, supplies, and any other support that will be provided by small businesses and/or Historically Black Colleges/Universities or Minority Institutions (HBCUs/MIs).
3. The specific names of subcontractors to the extent they are known.
4. A description of any future plans the Offeror has for developing additional opportunities for small businesses and/or Historically Black Colleges/Universities or Minority Institutions (HBCUs/MIs) to participate in contract performance during the contract period.
5. Identification of the portion of the Offeror's proposal, as a percentage of dollars, that will be performed by small businesses and/or Historically Black Colleges/Universities or Minority Institutions (HBCUs/MIs).
6. The type of performance data the Offeror would accumulate and provide to the Contracting officer regarding its support of small businesses and/or Historically Black Colleges/Universities or Minority Institutions (HBCUs/MIs) during the period of contract performance.
7. The name and title of the individual principally responsible for ensuring company support to such firms.

NOTE: Offerors MUST address all seven items, even if this means simply stating that the requested information does not exist and why or that the Offeror is a small business and will be performing the work in-house.

L.7 Proposal Preparation Instructions – Volume IV: Price Proposal

L.7.1 Submission of Certified Cost or Pricing Data

If adequate price competition does not exist, as determined by the Contracting Officer, cost or pricing data (see FAR 15.406-2, *Certificate of Current Cost or Pricing Data*) may be required. In the event that cost or pricing data is required, the Offeror shall provide cost or pricing data within 30 calendar days after receipt of the Contracting Officer's request.

L.7.2 General

The Offeror shall submit a separate schedule B (B-1, B-2, B-3 or B-4) for each utility system at each Installation included in the proposal. Refer to Section B for instructions.

L.7.3 Accounting Systems

The Offeror shall describe the accounting system proposed for this contract (see Section G).

L.7.4 Organization

Volume IV shall consist of the following sections:

Table of Contents

Section 1: Schedule B-1, B-2, B-3, or B-4 and Price Schedule Data Sheet(s) 1, 2, 3, 4, and 5 (see Section B)

Section 2: Cost Proposal, Introduction, and Pricing Assumptions

Section 3: General Estimating Methodology

Section 4: Cost Risk Assessment

L.7.5 Detailed Instructions for Price Proposal

Table of Contents

The Table of Contents shall specify, by page number, the location of information requested in these instructions.

Section 1 – Price Schedule B-1, B-2, B-3, or B-4

- Include a completed copy of the Price Schedule B-1, B-2, B-3 or B-4 as appropriate and in accordance with Section B.
- Include completed copies of Price Schedule Data Sheets (1, 2, 3, 4, and 5) as appropriate and in accordance with Section B.
 - Schedule 5
Provide a 50-year statement of proposed billings to the government in constant (real) dollars. At a minimum, Schedule 5 should include the following cost items on an annual basis for each of the 50 years. If a shorter contract period is proposed, the schedule need only address the number of years proposed for the contract.

System Purchase Price Credit

System Purchase Price Recovery

Operations and Maintenance Expense – Schedule 1

General and Administrative Expense – Schedule 1

Renewals and Replacement Expense – Schedule 1

Initial System Deficiency Correction Costs – Schedule 3

Transition Period Costs – Schedule 3
 Other costs and/or credits proposed by Offeror – from applicable Schedule
 Non-Federal Taxes and Fees – Schedule 1
 Federal Income Tax – Schedule 1
 Total Annual Payment by the Government

All values shown on Schedule 5 should be documented in the Offeror’s Proposal and the derivation of same should be provided in the Offeror’s Pricing Proposal and supporting documentation. It is preferred that documentation for Schedule 5 be provided in Microsoft Excel format with internal workbook logic intact. Such documentation should not require links to documents not provided as part of the Offeror’s Proposal.

- Include completed copy of Section C., *Third Party Construction*, identifying inspection charge rates, if any.
- Pursuant to Section H, *Government Repurchase Option*, indicate whether the updated repurchase price will be calculated using the same methodology the Offeror used to calculate the original purchase price. If not, then include the proposed updated repurchase price methodology.

Section 2 -- Price Proposal, Introduction, and Pricing Assumptions

Offerors shall discuss and quantify to the extent practicable other possible long-term costs and benefits to the United States, if the conveyance affects separate contract relationships, particularly for commodities. To the extent long-term costs and benefits require the cooperation of a third party (e.g., an upstream utility that owns the exclusive physical means to deliver electrical energy, natural gas or water supplies to an installation), the Offeror shall discuss their proposed methodology for cooperation.

Section 3 -- Standard Estimating Methodology

Summarize Offeror’s standard estimating system as it pertains to this acquisition. For Offerors proposing Cost Accounting Standards (CAS) compliant accounting systems as a Uniform System of Accounts (USOA): state whether or not your Disclosure Statement has been determined adequate by the cognizant Government ACO. If determined adequate, provide date of approval. Identify any outstanding CAS violations; provide status/action being taken. If exempted from submitting a CAS Disclosure Statement so state, and identify the reason for the exemption.

Section 4 -- Price Risk Assessment

Submit a risk analysis that identifies price risk areas and the recommended management approach to mitigate/control the impact of those price risks on the overall success of the program. Use the sample format below:

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

SECTION M

Evaluation Factors for Award

M.1 Basis for Contract Award

In accordance with 10 U.S.C. §2688, utility privatization award can only be made if (1) the long-term economic benefit of the conveyance to the United States exceeds the long-term economic cost of the conveyance to the United States, and (2) the conveyance will reduce the long-term costs of the United States for utility services provided by the utility system concerned. These criteria must be met for each separate utility system.

A contract will be awarded to the Offeror who is deemed responsible in accordance with FAR 9.1, whose proposal meets the criteria described in the above paragraph, and whose proposal is determined to represent the best value to the Government based on the evaluation factors listed below. The lowest priced proposal may not necessarily receive the award; likewise, the highest rated technical proposal may not necessarily receive the award.

M.2 Evaluation Factors and Subfactors

The five evaluation factors are Technical Capability, Past Performance, Risk, Socioeconomic Plan and Price. The evaluation factors and subfactors are as follows:

Factor 1: Technical Capability: The five subfactors are approximately equal to each other in terms of importance.

Subfactor 1: *Service Interruption/Contingency and Catastrophic Loss Plan:* Will be evaluated for the degree to which it ensures an appropriate, efficient and effective response to service interruptions and contingencies and catastrophic system losses.

Subfactor 2: *Operations and Maintenance Plan/Quality Management Plan:* Will be evaluated for the degree to which it ensures appropriate, efficient and effective operation and maintenance of the utility system(s) and a superior level of quality.

Subfactor 3: *Initial System Deficiency Corrections and Initial Renewals and Replacements Plan:* Will be evaluated for the degree to which it supports the long-term ability of the utility system(s) to provide utility service(s).

Subfactor 4: *Operational Transition Plan:* Will be evaluated for the degree to which it will ensure an effective and efficient transition.

Subfactor 5: *Financial Strength:* Will be evaluated for stability and adequacy to satisfy the long-term capital requirements for owning, operating, and maintaining the utility system(s). This is to be reflected in documented evidence that the Offeror is in sound financial condition and has the ability to secure the necessary financing now and in the future.

Factor 2: Past Performance: Will be evaluated based on the degree to which current and previous (within the past 5 years) contract efforts indicate the probability of the Offeror successfully accomplishing contract requirements throughout the performance period. The currency and relevancy of the information, source of the information, context of the data, and general trends in Offeror's performance will be considered.

In the case of an Offeror without a record of relevant past performance or for whom information on past performance is not available, the Offeror will not be evaluated favorably or unfavorably on past performance. However, a higher rating may be achieved if the Offeror proposes management personnel who have a successful record of performance on relevant and recent contracts, or if a proposed subcontractor (who will be performing a significant portion of the work) has a "very good" or better performance history on relevant and recent contracts.

Offerors are advised that the Government may use information gained from any source known to the Government to evaluate past performance, provided such information is recent (within the past 5 years). However, the Government reserves the right to only consider the Contractor's performance under Government or DESC contracts. If any past performance information provided by the Contractor is utilized in evaluating the Offeror's proposal, a past performance questionnaire will be utilized to contact references and rate proposals.

Factor 3: Risk: Will be evaluated using the following Subfactors, which are approximately equal in importance to each other.

Subfactor 1: Performance: Proposals will be evaluated on the degree to which award of a contract would present a risk of degradation of the quality of utility service(s).

Subfactor 2: Assurance of Long-term Price and Service Stability: Proposals will be evaluated on the degree to which long-term price and service stability are enhanced as a result of regulation by an independent federal, state or local regulatory authority with jurisdiction over the applicable utility service.

Subfactor 3: Price Realism: A cost realism analysis will be performed in accordance with FAR 15.404-1(d)(3). Realism will be based on an evaluation of the information provided in support of the offered price to determine if the prices reflect a clear understanding of the requirements; are consistent with the various elements of the offer's technical proposal; are not unbalanced; and are neither excessive nor insufficient for the effort to be accomplished. Reasonableness will be determined based on prices submitted by the competition, current market conditions, and comparison to the Government estimate, as appropriate.

Subfactor 4: Other possible long-term costs and benefits to the United States may be considered, especially if the conveyance affects separate contract relationships, particularly for commodities.

Factor 4: Socioeconomic Plan: Will be evaluated based on the degree to which an Offeror's proposal demonstrates the commitment to use, in performance of the offered requirements, Small Businesses (which include Small Businesses, Small Disadvantaged Businesses, HUBZone Small Businesses, Women-owned Small businesses, and Veteran-owned small businesses) and/or Historically Black Colleges/Universities or Minority Institutions (HBCUs/MIs).

NOTE: The Offeror's proposal for socioeconomic support will be made a part of any resulting contract for use in determining how well the Contractor has adhered to its socioeconomic plan.

Factor 5: Price: The total evaluated price will be a consideration in the final source-selection decision.

For Price Schedule B-1, the total evaluated price (Price Schedule and Price Schedule Data Sheets, as applicable) will be the net present value of the stream of monthly payments the Government is expected to make to the Contractor over the 50-year contract period. Each monthly payment will be calculated by crediting the total monthly payment (the Applicable Tariffs including capital ISDCs/connection charge(s) and initial renewals and replacements and the recoverable portion of the purchase price expressed in the price proposal) by the purchase price CLIN 0001. Present values will be calculated using the discount rate specified in Appendix C of OMB Circular A-94 (current issue at the time proposals are due).

For Price Schedules B-2, B-3, and B-4, the total evaluated price (Price Schedules and Price Schedule Data Sheets, as applicable) will be the net present value of the stream of monthly payments the Government is expected to make to the Contractor over the 50-year contract period. Each monthly payment will be calculated by crediting the total monthly payment (the Utility Service Charge including applicable ISDCs and initial renewals and replacements and the recoverable portion of the purchase price) by the purchase price CLIN 0001. Present values will be calculated using the discount rate specified in Appendix C of OMB Circular A-94 (current issue at the time proposals are due).

M.2.1 Order of Importance for Evaluating Factors and Subfactors:

In accordance with 10 U.S.C. § 2688, authority to privatize a utility system is subject to the action being in the long-term economic interests of the United States Government. That is, the long-term economic benefits must outweigh the long-term economic costs for conveyance to occur (Section M, *Comparison of Offered Prices with the Government Should-Cost Estimate*). Before a best-value decision can be made, Offerors must comply with the basic economic test of 10 U.S.C. § 2688. Based on this result, the following factors and subfactors will then be evaluated.

Technical Capability, Past Performance, and Risk are of approximately equal importance. Socioeconomic Commitment is somewhat less important than Technical Capability, Past Performance and Risk. When combined, Technical Capability, Past Performance, Risk, and Socioeconomic Commitment are significantly more important than Price. Technical Capability and Risk will be evaluated at the subfactor level. Under Technical Capability, Subfactors 1, 2, 3, 4, and 5 are of approximately equal importance. Under Risk, Subfactors 1, 2, 3, and 4 are of approximately equal importance.

M.3 Comparison of Offered Prices with the Government Should-Cost Estimate

In accordance with 10 U.S.C. § 2688, authority to privatize a utility system is subject to the action being in the long-term economic interest of the Government. To determine whether that criterion is met, the Government will use the Schedule 5 for evaluation and economic analysis with federal taxes accounted for to develop a projected 50-year cash flow. Present values will be calculated at the discount rate specified in Appendix C of the Office of Management and Budget (OMB) Circular A-94 that is current at the time proposals requested herein are due.

The economic analyses conducted will be done in accordance with OMB Circular A-94, Department of Defense Instruction 7041.3, and DEPSECDEF Guidance on Utilities Privatization dated October 9, 2002.