

APPENDIX A

TRAVIS AIR FORCE BASE AWARD/CONTRACT

AWARD/CONTRACT	1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700) ▶	RATING	PAGE OF PAGES 1 58
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2. CONTRACT (Proc. Inst. Ident.) NO. SP0600-16-C-8315	3. EFFECTIVE DATE See Block 20C	4. REQUISITION/PURCHASE REQUEST/PROJECT NO. SPE600-12-R-0826
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5. ISSUED BY DLA Energy FEE - Utility Services (Lorton) 8725 John J. Kingman Road, STP 10400 Fort Belvoir, VA 22060-6221 Email: john.parson@dla.mil Phone:(703) 617-1438	CODE SP0600	6. ADMINISTERED BY (If other than Item 5)	CODE
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7. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) California Water Service 1720 N. First Street San Jose, CA 95112- Phone: (408) 367-8225 POC: Paul Townsley E-mail: ptownsley@calwater.com	DUNS# 00693578	8. DELIVERY <input type="checkbox"/> FOB ORIGIN <input type="checkbox"/> OTHER (See below)
9. DISCOUNT FOR PROMPT PAYMENT		10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN ▶
CODE 1K4R0 FACILITY CODE		ITEM See Section G

11. SHIP TO/MARK FOR	CODE	12. PAYMENT WILL BE MADE BY	CODE
		Defense Finance and Accounting Services DFAS-Columbus P.O. Box 369020, Bldg. #21 - Mailroom Columbus, OH 43236-9016	F67100

13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: <input type="checkbox"/> 10 U.S.C. 2304(c)() <input type="checkbox"/> 41 U.S.C. 3304(a)()	14. ACCOUNTING AND APPROPRIATION DATA See Section G
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15A. ITEM NO.	15B. SUPPLIES/SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT
	See Section B.3 - Schedule				
15G. TOTAL AMOUNT OF CONTRACT ▶					\$208,922,015.00

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CONTRACTING OFFICER WILL COMPLETE ITEM 17 (SEALED-BID OR NEGOTIATED PROCUREMENT) OR 18 (SEALED-BID PROCUREMENT) AS APPLICABLE

17. <input checked="" type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return <u>ONE</u> copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)	18. <input type="checkbox"/> SEALED-BID AWARD (Contractor is not required to sign this document.) Your bid on Solicitation Number _____, including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the terms listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your bid, and (b) this award/contract. No further contractual document is necessary. (Block 18 should be checked only when awarding a sealed-bid contract.)
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19A. NAME AND TITLE OF SIGNER (Type or Print) Paul Townsley, Vice President	20A. NAME OF CONTRACTING OFFICER Carl Silverstone
19B. NAME OF CONTRACTOR	20B. UNITED STATES OF AMERICA
BY (Signature of person authorized to sign)	BY (Signature of Contracting Officer)
19C. DATE SIGNED 7-20-16	20C. DATE SIGNED 9/29/2016

SECTION B

Supplies or Services and Prices/Costs

B.1 Systems to be Privatized

The utility system shown below represents the utility system included in this solicitation for privatization:

Installation, State	Utility System
Travis AFB, CA	Water Distribution System

B.2 Utility Service Charges

The Contract Line Item Numbers (CLINs) shown below, represent the potable water distribution system included in this contract for privatization. The total monthly price due to California Water Service (CWS) is the sum of the amounts due in each month for the applicable schedule, transition cost, and initial capital upgrades.

B.2.1 Type of Contract

This is a Regulated Tariff Rate contract based on CWS' application with the California Public Utilities Commission (CPUC) for a Certificate of Public Convenience and Necessity (CPCN). The process for rate adjustments will be in accordance with Section G.4, *Price Adjustments*.

B.2.2 CLINs 0001 – 0050: Utility Services Charge

The total monthly Utility Services Charge due to CWS is the fully built up monthly charge to the Government for provision of utility services, including operations and maintenance, renewals and replacements, and Initial System Deficiency Corrections (ISDCs). These items collectively represent the price to provide utility services at Travis AFB and form the basis for the Utility Services Charge. Invoicing for the Utility Services Charge will commence following completion of the first full month of service after the contract start date, in accordance with Section G.2, *Submission and Payment of Invoices*. Price changes for CLINs 0001 – 0050 will be determined in accordance with Sections B.2.1, *Type of Contract*, and G.4, *Price Adjustments*.

B.2.3 CLINs 0051: Transition

The transition period will commence on the contract award date and will be in effect for a period of ten (10) months after CPUC approval in accordance with Section C.13, *Operational Transition Plan*, and Exhibit JE4. The transition price identified in Section B.3, Schedule for CLIN 0051 is firm-fixed price and payable upon completion of the transition period. If, due to Government delay, the transition period must be extended, the contractor may be entitled to an adjustment in accordance with Section G.4, *Price Adjustments*.

B.3 Schedule

CLIN	Description of Services	QTY	Unit	Unit Cost	Total
0001	Utility Service Charge - Year 1 (Months 1 – 12) Regulated Tariff Period of Performance: April 1, 2018 – March 31, 2019 ACRN: TBD	12	MO	\$155,612 .00	\$1,867,344.00
The Contracting Officer reserves CLINs 0002 – 0050 for future contract years' Utility Service Charges					
0051	Transition: Water Distribution System Firm Fixed Price Period of Performance: September 30, 2016 to March 31, 2018 ACRN: AA (\$450,833.00)	1	LO	\$450,833.00	\$450,833.00

B.4 Initial System Deficiency Correction Schedule

Schedule PDS-3, Initial System Deficiency Corrections/Upgrades/Connection Charges/Transition Period Travis AFB Water System							
Project Name	Interest Rate ¹	Project Cost (Current \$)	Project Start Month	First Full Mo. Project In Service	Amortization Period (Months) ²	Monthly Charge	
Operational Transition Period Charge (PDS-3A)	N/A	\$ 437,180				N/A	
ISDCs							
ISDC 1: Water line from Well Field to Travis AFB	N/A	\$ 4,182,000	2	30	N/A	\$ 149,357	
ISDC 2: Install new well/facilities, and repair 5 existing wells/facilities	N/A	\$ 6,237,000	4	38	N/A	\$ 183,441	
ISDC 3: 2 SCADA systems and 2 Chlorination systems	N/A	\$ 2,205,000	18	24	N/A	\$ 367,500	
ISDC 4: Reconfigure existing piping from Reservoir 3	N/A	\$ 12,500	6	12	N/A	\$ 2,083	
ISDC 5: Install 8 backflow prevention devices	N/A	\$ 66,500	18	30	N/A	\$ 5,542	
ISDC 6: Add Backflow Prevention devices to 18 facilities (20 total)	N/A	\$ 12,000	18	30	N/A	\$ 1,000	
Specific Transition Requirement (Per JA3.10)							
Independent Water Quality Monitoring Station - LISTED AS ISDC 7	N/A	\$ 65,900	1	5	N/A	\$ 16,475	

1) All Capital Construction projects are included in the Tariff. They are not financed independently.
2) All capital investments are depreciated at 39.5 years in the Tariff model.

(End of Section)

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. Additionally, the terms and conditions of Sections A through K, including the Section J attachments, shall take precedence over any inconsistent provisions contained within portions of the Contractor's proposal incorporated in or made exhibits to the Contract. Exceptions not specifically identified by the Contractor in its proposal in accordance with the requirements of Section L of the solicitation and expressly accepted by the Contracting Officer in writing shall not be deemed to be part of the Contract and shall not be binding on the Government.

C.2 Authority, Scope, and Program Goal

C.2.1 General

The Government seeks to convey the utility system identified in this contract, provided a favorable business case exists to do so. Subsequent to the Military Service's decision to convey utility system, the Government enters into this contract to acquire the corresponding utility service from the Contractor as the new owner of the system.

C.2.2 Authority

Utilities privatization consists of two transactions: 1) the conveyance of the utility infrastructure via a Bill of Sale; and 2) the acquisition of utility services on the privatized system via a utility services contract. The conveyance of the utility system is a property disposal action made in accordance with 10 U.S.C. §2688, and is not covered under the FAR or this solicitation. The acquisition of utility services is a FAR Part 41 acquisition and will be governed by the FAR and its applicable supplements.

C.2.3 Scope

The Contractor will assume ownership of the utility system and infrastructure specified in Section B.1, *Systems to be Privatized*, (the "system" or "utility system"), and as the new owner, will operate and maintain the system and provide utility services to the Government. Assumption of ownership and provision of utility services shall be performed in accordance with all terms, conditions, and special contract requirements, specifications, attachments, exhibits, and drawings contained in this contract.

C.2.4 Program Goal

The desired goal of the conveyance is to transfer all rights, title, and interest of the Government in and to the utility system listed in the Schedule. Consequently, the Government will retain no reversionary interests in the utility system sold, other than the terms regarding the repurchase option and rights of access. The transfer of title will be accomplished after contract award and full transfer is the intended and preferred consequence. 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 sale will be documented by a Bill of Sale, see Reference JR1 to this contract. 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.

C.2.5 Utility Systems

Attachments are included in Section J for the utility system listed in Section B.1 and are herein referred to as “utility-specific attachments.” Each utility-specific attachment provides details specific to each Installation utility system and requirement.

C.2.5.1 The property being sold in this action will be as described in the utility-specific attachments of this contract. 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.

C.3 Requirement

C.3.1 Utility Services Requirement

Subject to the terms and conditions in this contract, the Contractor (a.k.a. “System Owner”) shall furnish all necessary labor, management, supervision, permits, licenses, certifications, 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.

The Contractor shall provide reliable and dependable utility services 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 in a safe and reliable condition, and to meet all the requirements listed herein.

Access to the utility system will be as specified in Section C, *Access to the Utility System*.

C.3.2 Performance Standards

The Contractor shall ensure adequate and dependable utility service to all facilities and equipment served. Unless otherwise provided for in this contract, the Contractor shall provide utility service in accordance with industry-standard construction, operations, maintenance, management, environmental, safety, and other relevant standards, that apply to similarly situated utility services providers serving customers whose service characteristics are comparable to the service characteristics of the Installation. The Contractor shall be liable for default unless nonperformance is caused by an occurrence beyond the reasonable control of the Contractor and without its fault or negligence such as, acts of God or the public enemy, acts of the Government in its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, and unusually severe weather. The Contractor shall notify the Contracting Officer in writing as soon as it is reasonably possible after the commencement of any excusable delay, setting forth the full particulars in connection therewith, shall remedy such occurrence with all reasonable dispatch, and shall promptly give written notice to the Contracting Officer of the cessation of such occurrence.

Services provided shall comply with all applicable Federal, state, and local laws/regulations and any Installation specific requirements set forth in the utility-specific attachments, 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 or Installation requirements 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.3.3 Sub-Metering

The Contractor shall be responsible for reading, maintaining, and calibrating all sub-meters on the privatized utility system, as identified in the utility-specific attachments. The Government will use sub-meters for internal installation billing purposes, commodity management, and energy conservation purposes. Meter reading reports shall be submitted to the recipient identified in the utility-specific attachments.

All costs for providing, installing, reading, reporting, and maintaining the existing and additional meters shall be the responsibility of the Contractor.

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 contract) may constitute reasonable cause for an initial installation charge and a utility service charge adjustment in accordance with Section G.

C.3.4 Energy and/or Water Efficiencies and Conservation and Renewable Energy Generation

The Contractor shall strive to provide energy and/or water efficient systems. In addition, the Contractor will facilitate interconnection of new or existing renewable energy generation assets that are located on the installation, whether the Government or a third party is the owner/operator of any such generation assets. The Government has an established program for conducting and implementing energy and/or water savings, conservation projects, and renewable energy generation projects to reduce utility usage, costs, and to obtain other benefits including mandated levels of renewable energy usage and reduction of emissions. Some of these have resulted in the Government entering into long-term financing arrangements with non-Government entities. The utility-specific attachments identify any such energy and/or 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 utility conservation projects without prior approval of the Contracting Officer. Additionally, the Government reserves the ability to enter into any future energy and/or water savings projects with the goal of reducing Government costs. Projects implemented by the Government that will require changes in the privatized system shall be coordinated between the parties prior to implementation.

If, after award, additional efficiency System Deficiency Corrections (SDCs)/Upgrades projects are identified by the Contractor, they 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 utility services charge adjustments or lump-sum payments.

C.3.5 Commodity Supply

Water commodity supply is not included in this contract, even if any production facilities are included as part of the system to be conveyed. The Government retains the right to procure or supply any commodity that will be transported on the system covered by this contract from any source.

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.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. Within the service area and upon the Government's request, the Contractor shall provide utility services 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 services under this contract shall commence or be discontinued. Any service charge adjustment as a result of these actions will be in accordance with Section G.

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. The Installation considers cellular telephone antennae to be mission-essential equipment and requests for permission by a third party to attach such equipment to the Contractor-owned components shall not be unreasonably withheld, or subjected to unreasonable fees.

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 assets to be transferred is included in the utility-specific attachments. 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.

The Contractor shall neither transfer nor assign its interests in the utility system assets transferred by Bill of Sale without the prior written consent of the Government. No transfer or assignment of the Contractor's interests in the utility system assets transferred by Bill of Sale shall occur except in connection with the Government's recognition of a successor in interest to this contract under FAR 42.1204.

The Bill of Sale is provided in Section J, *Attachment JRI*. 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.5.1.2.1 Radiation Causing Devices

The Contractor shall provide the Government with notice that it has obtained all licenses required by Federal laws and regulations for all licensed or licensable radiation source or byproduct materials and provide the Government copies of the licenses. The Government may deny the use or storage of any radiation source or byproduct material on the Installation. The Contractor shall comply with the terms of the licenses and all applicable Federal laws and regulations when maintaining, storing, utilizing, and disposing of radiation source or byproduct materials.

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 that differ from normal utility practice may constitute a reasonable cause for an equitable adjustment in accordance with Section G.

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 services 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 shall 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, as defined in the utility-specific attachments.

New construction or remodeling of existing facilities shall comply with the Installation's architectural standards and be fully coordinated with the Installation prior to beginning construction (see utility-specific attachments 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 electronic media formats 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 ensure delineation of all Contractor facilities within one year of the contract start date and annually thereafter as necessary in conjunction with submission of the Annual SDC/Upgrades/Connections and R&R Plan.

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 services shall be the responsibility of the Contractor. The Contractor shall notify the Contracting Officer or designated representative when removing hazardous substances in accordance with Section H., *Hazardous Substances* and the Specific Service Requirements outlined in the utility-specific attachments. 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 this 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 contract, 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 services 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. As 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 the Contractor

Rules, regulations, directions, and requirements issued by the Installation, or other command authorities, under their responsibility for good order, administration, and security, including Specific Service Requirements as outlined in the utility-specific attachments, apply to all personnel who enter the Installation or who travel by Government transportation.

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 Communications Devices

Prior to operating communications 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 communications devices 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 and its agents, employees, Contractors, and subcontractors 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 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 Government 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 Section C.6.2 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.

The Contractor shall neither transfer nor assign this Right of Access nor any interests or rights thereunder without the prior written consent of the Government. No transfer or assignment of the Contractor's rights or interests under this Right of Access shall occur except in connection with the Government's recognition of a successor in interest to this contract under FAR Subpart 42.14.

C.6.2.1 Condition of the Premises

The Contractor is granted access to the Premises in an "as is, where is" condition without any warranty, representation by the Government concerning the condition of the Premises, 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 the Installation Commander may determine, the Government and the Contractor, hereinafter referred to as the "Parties," will prepare and 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 by the Government upon the expiration or termination of this Contract to determine whether the Contractor has fulfilled its obligations to maintain and restore 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. Provided however, that the Government shall not grant any such additional easements, rights of way, leases, permits, licenses, or uses which will, as determined in the sole discretion of the Government, unreasonably interfere with the Contractor's use of the Premises under this Right of-Access.

C.6.2.5 Reserved

C.6.2.6 Liability for Damages

Any interference with the use of or damage to any real or personal property under the control of the Government incident to the exercise of the rights and privileges granted to the Contractor under this Right of Access shall be promptly corrected by the Contractor to the satisfaction of the Installation Commander. If the Contractor fails to promptly repair or replace any damaged property after being notified to do so by the Installation Commander, the Government may repair or replace such property and the Contractor shall be liable to the Government for the costs of such repair or replacement.

C.6.2.7 Fire Protection

C.6.2.7.1

The Contractor shall enter into a Memorandum of Understanding (MOU) with the Base Fire Department for fire protection of all facilities included in the purchase of the utility system. The MOU shall be completed during the transition period and a copy provided to the Contracting Officer.

C.6.2.7.2

The Contractor shall abide by Base fire protection requirements. The utility system purchased by the Contractor includes facilities. These facilities may or may not include fire alarm systems. Where required by federal, state, or local regulation, the Contractor shall maintain in the fire alarm system for all facilities owned and operated by the Contractor. The Contractor shall permit Fire Department personnel access to their facilities to perform fire inspections and emergency response.

C.6.3 Restoration of Premises at Expiration or Termination

On or before the date of expiration or termination of this Contract, the Contractor shall vacate the Premises, remove all of its equipment, fixtures, structure, property and improvements of whatever nature from the Premises deemed unnecessary by the Installation Commander for the continued provision of utility services, and restore the Premises to a condition satisfactory to the Installation Commander without additional expense to the Government. Such restoration shall include, if applicable, removal of contamination caused by the Contractor. The Contractor may, upon receipt of the prior written consent of the Government, which consent shall not be unreasonably withheld by the Government, abandon in place any buried conduits, pipes, duct banks, tubes, or wires (Underground Abandoned Utilities), provided that (i) the nature, location, and depth of such Underground Abandoned Utilities are known to the Contractor and shown on the Contractor's records, and (ii) the Underground Abandoned Utilities neither contain any environmental contaminant nor pose an environmental or safety hazard. The Contractor may also, upon receipt of the prior written consent of the Government, which consent shall be granted in the Government's sole discretion, abandon in place all or part of any of the Contractor's other above grade or below grade equipment, fixtures, structures, property and improvements (Other Abandoned Utilities). In the event of a dispute between the Contractor and the Government over whether certain of the Contractor's equipment, fixtures, structures, property and improvements should be characterized as Underground Abandoned Utilities or Other Abandoned Utilities, such equipment, fixtures, structures, property and improvements shall be deemed to be Other Abandoned Utilities for purposes of this Contract.

C.7 Response to Service Interruptions/Contingencies and Catastrophes

The Contractor shall employ sound utility practices to ensure continuous, dependable, and reliable utility services 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 utility-specific attachment for each utility system.

The Contractor shall maintain a Service Interruption/Contingency and Catastrophic Loss Plan as identified in Section J, *Exhibit JE1*. 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 or public enemy, natural disasters, human error, equipment failure, vehicular damage, vandalism, employee strikes, cease and desist orders, and Notice of Violations (NOVs) issued by any regulatory agency.

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 prior consent. However, the Contractor need not seek the Government's consent prior to minor, non-substantive 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 Installation's 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 emergency, urgent, and routine matters. The Government will be responsible for disseminating such procedures within the Installation. The Contractor shall provide a service request line with 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 Contractor representative capable of estimating Contractor repair crew arrival time. When a system condition designation is downgraded to a less severe condition, required response times shall run from the date and time that the initial service call was made.

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 two years, and may be reviewed by the Contracting Officer or designated representative upon reasonable notice.

If the service 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 emergency, urgent, and routine matters.

The Government will be responsible for disseminating such procedures within the Installation. In addition, the Contractor shall provide to the Contracting Officer or designated representative the name of the local Utility 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 installation, 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 and Catastrophic Loss Plan shall be on the site of the emergency within one hour. Additionally, repair crews appropriately trained to eliminate the condition shall be at the emergency site within two 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, unless the cost and/or level of effort to do so is unreasonable. 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 five 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 arise due to situations that, if left uncorrected will cause measurable discomfort or inconvenience to the customer, waste resources, create the need for additional minor repairs, or is aesthetically unpleasant or inconvenient.

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 five calendar days, and completed within 30 calendar days of receiving the request. 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 two 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 an 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 Services 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 mission 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 personnel, in coordination with the Contracting Officer's designated representative may request utility services 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 reflective 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 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 working days of the request at no additional cost to the Government.

Information regarding frequency of line locates, underground utility locations, and Points of Demarcation are identified in the utility-specific attachment and/or the Technical Library.

C.9.4 Duty Hours

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

C.9.5 Coordination Meetings

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

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 an equitable adjustment in accordance with Section G.

C.9.7 Government Operation

The Contractor shall make the privatized facilities available for Contingencies and Contractor Non-Performance at no cost to the Government for as long as the circumstance requiring Government operation persists. Operation/performance by the Government shall not be deemed a waiver of the Government's right to pursue any remedies for Contractor non-performance that may otherwise exist under the terms of this Contract.

C.9.7.1. Contingencies

The Government reserves the right to perform or supplement performance of contract functions with Government-designated personnel during periods of disaster, emergency, or other conditions that affect the Installation and prevent the Contractor from fulfilling its obligations under the contract. The Government shall use best efforts to coordinate with the Contractor and obtain authorization before supplementing the Contractor's performance in these circumstances. Such authorization shall not be unreasonably withheld.

C.9.7.2. Contractor Non-Performance

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.

C.9.8 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 (collectively, "Environmental Requirements"). Environmental Requirements include any statute, law, act, ordinance, rule, regulation, order, decree, permit, or ruling of any federal, State, and/or local government, or administrative regulatory body, agency, board, or commission or a judicial body, relating to the protection of human health and/or the environment or otherwise regulating and/or restricting the management, use, storage, transportation, treatment, disposal, and/or any release of a hazardous substance, hazardous waste, pollutant, or other material. The Contractor shall provide the Government with advance written notice, of and an opportunity to jointly participate in, meetings (including permit request meetings) with environmental regulatory authorities.

Should implementation of response actions with respect to Environmental Requirements interfere with Contractor's activities under the Contract, such actions may constitute an excusable delay for which Contractor may be entitled to an excuse from performance.

C.10.1 Permit Compliance

Once ownership of the utility system is transferred, the Contractor shall be the party of record for all environmental permits related to operating the system. Thereafter, the Contractor shall be responsible for obtaining any new or revised permits needed to operate and maintain the utility system. The Government shall remain the party of record and retain responsibility for any applicable permits prior to the transfer of ownership, as defined by Section C, *Transition Plan*. For those permits that are not transferable by the Government, the Contractor shall indemnify the Government as provided in Section H.4.1, *Environmental Liability*.

C.10.2 Spill Contingencies

The Contractor shall adopt the procedures of the Installation Spill Contingency Plan.

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 on Government installations may require an Environmental Impact Assessment in accordance with environmental impact analysis processes 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 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 and utilize 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 Contractor may be required to perform, but shall not be responsible for the cost of, remediation for preexisting environmental conditions. Unexploded ordnance shall be considered a preexisting environmental condition and shall not be disturbed by the Contractor but, upon discovery, shall be immediately reported to Installation Security and the Contracting Officer's Representative. The Contractor shall not undertake to move any soil media off-site without the written permission of the Government. This requirement is in effect even if the Contractor does not believe the media is contaminated.

The Contractor shall provide the Government with a copy of all correspondence with environmental regulatory authorities related to enforcement actions or notices of violations within 5 days of receipt or issuance.

The Contractor shall not perform any response, removal, remedial or restoration actions on or affecting the Installation relating to Environmental Requirements without the prior written consent of the Government, except that such prior written consent shall not be required to the extent that prompt action is required to abate an imminent and substantial threat to health, safety and welfare and the Government has been notified of Contractor's intent to take such actions. Such Government consent will not be unreasonably withheld.

C.10.7 Asbestos and Lead-based Paint

The Contractor will not make any improvements or engage in any construction on Government property which contains asbestos-containing material (ACM), without prior approval of the Contracting Officer or designated representative. 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 facilities and/or plant containing ACM on Government

property for deterioration or damage. The Contractor is responsible, at its expense, for remediation of any ACM contained on or in its facilities and/or plant 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 operations, 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 (CERCLA) 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 Environmental Protection Agency (EPA), 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 Responsibility

The Contractor shall be responsible for all required SDCs, upgrades, and renewals and replacements necessary to maintain and operate the utility system in a safe, reliable condition, such that the system is complete and usable, and to meet the requirements of this contract.

C.11.2 Initial System Deficiency Corrections/Connection Charges

Initial System Deficiency Corrections (ISDC)/connection charges are those necessary to reach the standards typically maintained by the Contractor on its utility systems or to ensure compliance with applicable law, 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 the utility-specific attachment, shall be complete within five 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.11.3 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.11.4 Annual SDC/Upgrades/Connections and Renewals and Replacements Plan

The Contractor shall prepare and submit annually to the Contract Officer for approval an SDC/Upgrades/Connections and Renewals and Replacements Plan that identifies SDCs/Upgrades/Connections and major renewals and replacements the Contractor intends to accomplish. Each Plan shall contain a proposed SDC/Upgrade/Connection list with work efforts that the Contractor intends to accomplish for each of the five years following plan submission. The plan shall be structured as follows:

- Year 1 shall include detailed information for each work effort including site plans, cost estimates, schedules, and an analysis of the impact of construction on Installation operations and the environment. It shall also address safety requirements.
- Years 2-5 shall include work effort descriptions, order-of-magnitude estimates, and general-area site plans for each work effort.

Unless the Contracting Officer provides written notification of an alternate date, the first Annual Plan shall be submitted no later than **March 31** of the first full fiscal year following contract start, and annually thereafter. The Plan shall be submitted to the COR designated in Section G.

C.11.4.1 SDCs/Upgrades

The Contractor may propose SDCs/Upgrades to include, but not limited to, energy efficient and/or water conservation projects in the Annual Plan (Future SDCs/Upgrades/Connections). The Government reserves the right to determine at its discretion whether it will pay for any portion of proposed SDCs/Upgrades/Connections. Future SDCs/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 SDCs/Upgrades and improvements identified in the Plan will be paid, in accordance with Section B, *Utility Services Charges*, 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. The Government further reserves the right to buy down a previously amortized SDC/Upgrade/Connection at no penalty to the Government.

C.11.4.2 Renewals and Replacements

Renewals and replacements identified in the Plan will be paid in accordance with Schedules 1 and 2 and Section B, *Utility Services Charges*.

C.11.4.3 Requirements and Standards

The 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.11.4.4 Anticipated Connections and Disconnections

The 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.11.5 Connections and Disconnections

The Government may require the Contractor to make future connections and/or disconnections. The Contractor shall coordinate this work with the Contracting Officer's Representative and obtain approval from the Contracting Officer.

If a connection or disconnection constitutes reasonable cause for a change in the utility services charge, the rate will be re-negotiated in accordance with Section G.

C.11.5.1 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. The temporary connection customer shall provide the following information regarding any temporary service connections to the Contracting Officer's Representative:

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.11.5.2 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 services 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 services 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 terms and/or formulas set forth in the Government Repurchase Option clause (see Section H, *Government Repurchase Option*, this Contract).

C.11.5.3 Third Party Construction

(a) Where the Government contracts with a third party to construct new utility system 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 52.241-7 *Changes in Rates or Terms and Conditions of Service for Regulated Services*.

(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 the applicable Changes clause(s) contained in this Contract.

(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 adjustment in accordance with the appropriate price adjustment clauses/mechanisms applicable to the monthly utility service charges under this Contract. If no rate is specified, then inspections shall be deemed to be among the utility services included in the monthly Utility Services 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: \$0.00 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 the applicable Changes clause(s) contained in this Contract.

(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 Disputes provisions of this contract.

C.12 Operations and Maintenance/Quality Management

The Contractor shall maintain an Operation and Maintenance/ Quality Management Plan as described in Section J, *Exhibit JE2*. The Plan shall ensure the provision of reliable, cost-effective, and compliant service over the term of the contract. The Contractor shall 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 Operational Transition Plan

The Contractor is required to maintain an Operational Transition Plan for execution during the transition period as described in Section J, *JE4*. 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.

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 Section B, *Schedule*. 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 Contractor is required to base its proposal on the inventory listed in the utility-specific attachments. 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 the utility-specific attachments, the Contractor may submit a request for an equitable adjustment to the Contracting Officer. If the Contractor determines that the inventory listed in the utility-specific attachments is overstated, the Contractor shall report the extent of the overstatement to the Contracting Officer, who will determine an equitable adjustment as appropriate.

The Bill of Sale (BOS) must be approved/signed by the appropriate Service official(s) prior to contract start, and the Government requires 60 days for the BOS coordination and approval process. This BOS process cannot begin until the agreed upon joint inventory is complete. The BOS shall include all additional infrastructure identified as a result of the joint inventory. Failure to timely submit the joint inventory 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.

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, the Contractor shall immediately cease work at that location and notify the Contracting Officer's designated representative. The Contractor shall provide the said representative 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.

Information regarding historical, architectural, and landscaping requirements is identified in the utility-specific attachment and/or the Technical Library.

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. Information regarding specialty training requirements is identified in the utility-specific attachment.

(End of Section)

SECTION D

Packaging and Marking

None

(End of Section)

Section E

Inspection and Acceptance

None

(End of Section)

Section F

Deliveries or Performance

F.1 Contract Term

The Contractor 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 Utility Services

The Contractor shall complete all transition activities and be prepared to provide utility services on the contract start date. The contract start date, as defined below shall begin on the first day of a given month. The period of performance begins at the contract start date.

Phase I	Phase II
Transition Period (Pre-performance)	Contract Start Date (Performance Period)
Contractor proposes duration of Transition Period; Transition Period begins upon execution of contract award unless a later date is specified.	Transition Period ends with the conveyance of Utility System Infrastructure and Performance of Utility Services Contract begins.

F.3 50-Year Performance Period

The following table will be completed upon the commencement of utility services. The dates contained herein are provided as an **example**.

Year	Period of Performance	Year	Period of Performance
1	04/01/18 – 03/31/19	26	04/01/44 – 03/31/45
2	04/01/19 – 03/31/20	27	04/01/45 – 03/31/46
3	04/01/20 – 03/31/21	28	04/01/46 – 03/31/47
4	04/01/21 – 03/31/22	29	04/01/47 – 03/31/48
5	04/01/22 – 03/31/23	30	04/01/48 – 03/31/49
X	04/01/23 – 03/31/24	X	04/01/49 – 03/31/50
X	04/01/28 – 03/31/29	X	04/01/55 – 03/31/56
25	04/01/43 – 03/31/44	50	04/01/68 – 03/31/69

F.4 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(c)	Apr 1984

(End of Section)

Section G

Contract Administration Data

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

(a) *Definition.* *Contracting Officer's Representative* means an individual designated in accordance with subsection 201.602-2 of the Defense Federal Acquisition Regulation Supplement and authorized in writing by the contracting officer to perform specific technical or administrative functions.

(b) 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.

The Contracting Officer's Representative for this contract is:

Name: James Christensen
Address: 60th Civil Engineer Squadron
401 Hickam Ave, Bldg 571
Travis AFB, CA 94535-2001
Phone: (707) 424-8109
Email: james.christensen.5@us.af.mil

G.2 Submission and Payment of Invoices

With every monthly invoice that includes a request for the initial payment of a completed ISDC/Upgrade/Connection identified in Schedule B, the Contractor shall submit an amortization schedule. The amortization schedule shall specify for each ISDC/Connection the principal and interest components of each monthly payment, the number of the payment of the total payments required, and the remaining principal balance. Any Government-initiated change to the amortization schedule will require the Contractor to submit a new amortization schedule for that project to the Contracting Officer.

The Government will pay the Contractor for utility services in accordance with the CLIN items in Section B.3, *Schedule*.

The Contractor shall submit monthly invoices electronically using the Wide Area Workflow (WAWF) system in accordance with DFARS clause, 252.232-7003, *Electronic Submission of Payment Requests and Receiving Reports*. The WAWF system is located at the following internet website: <https://wawf.eb.mil>. Failure to submit invoices in WAWF may result in delay of payment.

The Contractor shall prepare and submit the electronic invoice for payment by the 25th of each month for the previous month's billing period.

Invoices will be paid by:

Defense Finance & Accounting Services-Limestone
P.O. Box 369020
Building #21-Mailroom
Columbus, OH 43236-9024

G.3 DFARS 252.232-7006: Wide Area WorkFlow Payment Instructions (May 2013)

(a) *Definitions.* As used in this clause—

“Department of Defense Activity Address Code (DoDAAC)” is a six position code that uniquely identifies a unit, activity, or organization.

“Document type” means the type of payment request or receiving report available for creation in Wide Area WorkFlow (WAWF).

“Local processing office (LPO)” is the office responsible for payment certification when payment certification is done external to the entitlement system.

(b) *Electronic invoicing.* The WAWF system is the method to electronically process vendor payment requests and receiving reports, as authorized by DFARS 252.232-7003, Electronic Submission of Payment Requests and Receiving Reports.

(c) *WAWF access.* To access WAWF, the Contractor shall—

(1) Have a designated electronic business point of contact in the System for Award Management at <https://www.acquisition.gov>; and

(2) Be registered to use WAWF at <https://wawf.eb.mil/> following the step-by-step procedures for self-registration available at this web site.

(d) *WAWF training.* The Contractor should follow the training instructions of the WAWF Web-Based Training Course and use the Practice Training Site before submitting payment requests through WAWF. Both can be accessed by selecting the “Web Based Training” link on the WAWF home page at <https://wawf.eb.mil/>

(e) *WAWF methods of document submission.* Document submissions may be via web entry, Electronic Data Interchange, or File Transfer Protocol.

(f) *WAWF payment instructions.* The Contractor must use the following information when submitting payment requests and receiving reports in WAWF for this contract/order:

(1) *Document type.* The Contractor shall use the following document type: Invoice 2-in-1

(2) *Inspection/acceptance location.* The Contractor shall select the following inspection/acceptance location(s) in WAWF, as specified by the Contracting Officer: Eglin AFB

(3) *Document routing.* The Contractor shall use the information in the Routing Data Table below only to fill in applicable fields in WAWF when creating payment requests and receiving reports in the system.

Routing Data Table

<i>Field Name in WAWF</i>	<i>Data to be entered in WAWF</i>
Pay Official DoDAAC	F67100
Issue By DoDAAC	SP0600
Admin DoDAAC	SP0600
Inspect By DoDAAC	N/A
Ship To Code	N/A
Ship From Code	N/A
Mark For Code	N/A
Service Approver (DoDAAC)	N/A
Service Acceptor (DoDAAC)	FA4427
Accept at Other DoDAAC	N/A
LPO DoDAAC	N/A
DCAA Auditor DoDAAC	N/A
Other DoDAAC(s)	N/A

(4) *Payment request and supporting documentation.* The Contractor shall ensure a payment request includes appropriate contract line item and subline item descriptions of the work performed or supplies delivered, unit price/cost per unit, fee (if applicable), and all relevant back-up documentation, as defined in DFARS Appendix F, (e.g. timesheets) in support of each payment request.

(5) *WAWF email notifications.* The Contractor shall enter the e-mail address identified below in the “Send Additional Email Notifications” field of WAWF once a document is submitted in the system. Send additional email notifications to the Contracting Officer’s Representative, Contracting Officer and Contract Specialist(s).

(g) *WAWF point of contact.*

(1) The Contractor may obtain clarification regarding invoicing in WAWF from the following contracting activity’s WAWF point of contact: the Contracting Officer and Contract Specialist(s).

(2) For technical WAWF help, contact the WAWF helpdesk at 866-618-5988.

(End of Clause)

G.4 Price Adjustments

Price adjustments resulting from changed service requirements, at the request of either party to this contract and with reasonable cause, may be negotiated, at any time, in accordance with FAR 52.241-7 *Changes in Rates or Terms and Conditions of Service for Regulated Services* (collectively the “Changes” clauses. Price adjustments for noncompliance with accounting procedures shall be in accordance with Section G, *Accounting Procedures*.

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 as defined in Section I.

G.4.1 Rate Base

Utility Services will be provided under the CPUC authorized tariff service rates and (See Section J, *Exhibit JE8*). Capital costs (renewals, replacements, and additions) are not charged directly to the Government, rather, capital costs will be added to the Travis Rate Base. The Utility Services Charge is comprised of two parts: Rate Base and Operating Expenses.

The Rate Base is made up of the following:

1. Depreciation at 2.5% (straight line for 39.5 years).
2. Authorized Return on Investment (ROI). This amount is reset by the CPUC with each rate case. Rate case applications occur every three years. The ROI is a weighted combination of equity and debt, which is approximately a 50/50 split, although it can range between 40% and 60%. The current approved return on investment for Cal Water's California operations is 8.24% net of taxes. Cal Water's last authorized return on equity (ROE) was 9.99%. The ROE applied to the equity investment represents Cal Water's return on its investment.
3. Ad Valorem Tax. This is a state tax, in-lieu of property tax.
4. State and Federal Income Taxes are assessed on the equity portion of the ROI (with all other revenues attributable to pass through expenses).

Operating Expenses is made up of the following:

1. Labor costs
2. Materials and Procurement
3. Consumables including chemicals, fuel, and purchased water
4. Materials & supplies, safety equipment
5. Outside Services (tank inspections, water quality testing, solid waste disposal, subcontracted maintenance, etc.)
6. Insurance
7. Equipment (annual depreciation cost of equipment)
8. General and administrative costs.

The formula for calculating the rate base components of the tariff is presented below:

The basic formula for determining a revenue requirement is:

$$R \equiv B * r + E + d + T$$

R = revenue requirement

B = rate base, which is the amount of capital or assets the utility dedicates to providing its regulated services

r = allowed rate of return on investment, which is the cost the utility incurs to finance its rate base, including both debt and equity components

E = operating expenses, which are the costs of items such as supplies, labor (not used for plant construction), and items for resale that are consumed by the business in a short period of time (less than one year)

d = annual depreciation expense, which is the annual accounting charge for wear, tear, and obsolescence of plant funded by the utility

T = all taxes not counted as operating expenses and not directly charged to customers

G.4.2 CPUC Rate Methodology

Consistent with the CPUC three-year rate case cycle for water systems, the Contractor will forecast infrastructure investments in each rate filing. Final rates will reflect the CPUC's adopted infrastructure investment.

The proposed monthly charge for R&R would remain constant unless changed as a result of CPUC-approved increases in the tariff rate. The Contractor shall present all tariff rate change requests to the Contracting Officer for review in connection with CPUC submittal. When future capital improvements require additional capital investment, the Contractor shall provide the option of either direct Government funding of capital improvements, resulting in no rate impact, or the Contractor's funding of capital improvements with a subsequent CPUC approved rate adjustment.

G.5 Accounting Procedures

The Contractor shall maintain records of all costs and payments associated with the provision of utility service to the Installation using the National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts (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 Contractor's written and established practices for measuring, assigning, and allocating costs.

G.5.1 Price Adjustment for Noncompliance with Accounting Procedures

The Government shall be entitled to a price adjustment if it finds that the contract price was adjusted as a result of the use of noncompliant or inconsistent accounting practices. 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 Contractor used compliant and established accounting practices that were in accordance with NARUC, AWWA, or other accepted alternative USOA, 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 of 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).

G.6 Accounting and Appropriation Data

Accounting and Appropriation Data:

ACRN AA is hereby established in the amount of \$450,833.00. Funds are provided under the Direct Fund Cite MIPR F4ATA66166GU01 (Basic) dated June 20, 2016 in the amount of \$450,833.00.00 as stated below:

AA 5763400 306 1822 EMH356 030000 480UW 85779F 667100 F67100
FSR: 016745 PSR: N86687 DSR: 207318 CIN: F4ATA66166GU010000UW

Funding Breakdown ACRN AA:

Funding for contract: On CLIN 0051 \$450,833.00

Total Funding for ACRN AA: \$450,833.00

Funds Remaining for ACRN AA: \$0.00

(End of Section)

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 applicable Changes Clause.

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. Each certificate provided shall clearly state the contract number.

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). If the Contractor has catastrophic insurance, the Contractor shall provide a copy of the coverage to the Contracting Officer.

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 shall 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.M. Best Financial Strength Rating of A- or better and a Financial Size Category of VIII or higher. 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 Contractor's 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; and
- (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, defend, save, and hold the Government harmless against any and all judgments, expenses, liabilities, claims, and charges of whatever kind or nature ("Losses") that may arise as a result of the activities of the Contractor, whether tortious, contractual, or other, except to the extent such claim or charge is cognizable under the Federal Tort Claims Act, or, in regard to indemnification, to the extent the Contractor is prohibited from doing so by Federal or State law.

H.4.1 Environmental Liability

The Contractor shall indemnify, defend, save, and hold the Government harmless against any and all judgments, expenses, liabilities, claims, and charges of whatever kind or nature, resulting from the Contractor's failure to comply with Section C.10, *Environmental Compliance*. Such indemnification shall include, but is not limited to, any costs or claims arising from, or related to, any damage to property, or injury to, or death of, a person to the extent that the Contractor's failure to comply with Environmental Requirements and/or management of contaminated materials caused, or contributed to, such damage, injury, or death. The Contractor shall not be required to indemnify the Government for Losses that are both caused by pre-existing environmental conditions and not caused by the negligence, misconduct, or recklessness of the Contractor.

H.5 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 FAR 42.1204).

H.6 Government Termination Liability Prior to Conveyance

If for any reason conveyance of the utility system does not occur, the Government's termination liability will be limited to transition costs.

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 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.
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, Installation Safety, and the Contracting Officer's Representative.

H.10 Interest Allowability of Capital Investment

Pursuant to the DoD Class Deviation signed 31 March 2011 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 52.215-16. CDA interest rate(s) are determined by the Bureau of the Public Debt and are published at the following website: <http://www.fns.treas.gov/prompt/index.html>.

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, related to the initial purchase of the utility system, for which the Contractor is liable, or may become liable because of the Contractor's performance under this contract.

H.12 Differing Site Conditions

(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 made available to, the contractor during the negotiation process; 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.

H.13 Future SDCs/Upgrades/ Connection Charges

Payment for Future SDCs/Upgrades/Connection Charges for which the Government agrees to pay in accordance with Section C, *SDCs/Upgrades/Connection Charges and Renewals and Replacements*, will be in addition to the monthly Utility Services Charge for the number of months agreed upon and will commence when the SDC/Upgrade/Connection is put in useful service. The amortization schedule shall specify for each SDC/Upgrade/Connection the additional monthly payment included in addition to the monthly Utility Services Charge and the number of the payment (of the total payments required).

If new SDCs/Upgrades/Connections are required as a result of a change in service requirements, the Utility Services Charge may be re-negotiated in accordance with Section G.

H.14. California Public Utility Commission (CPUC) Approval Condition

H.14.1 Pursuit of CPUC Approval

Contract award based upon Contractor's regulated tariff rate pricing model shall be conditioned upon the California Public Utility Commission (CPUC) review and approval of this utility services contract. Upon the receipt of a bilaterally executed copy of the contract, the Contractor shall expeditiously prepare a filing with the CPUC for such review and approval. The Government shall cooperate by providing a Declaration or other such reasonable documentation that might be needed to support the regulatory approval process; provided that the Contractor shall provide appropriate guidance on the need for and content of such documentation. This condition shall be removed and the contract award shall be finalized

on the effective date of the CPUC's approval. Should the CPUC impose any substantive conditions on its regulatory approval that are unacceptable to either the Government or the Contractor, the parties shall negotiate in good faith to modify the contract to alleviate any objectionable provisions.

H.14.2 Acceptance of Tariff Rate Model

The Government accepts the Contractor's regulated tariff rate pricing model, contingent upon approval of its status as a regulated utility by the CPUC no later than the completion of the transition period. As such, this is a regulated tariff rate utility services contract, subject to the provisions of FAR Part 41 – Acquisition of Utility Services and the relevant clauses in Section I.

H.14.3 Conversion to Fixed Price with Economic Price Adjustment

Should the CPUC withhold its approval of the Contractor's application for regulated status, the parties shall negotiate in good faith as may be reasonably necessary to modify the contract to a Fixed Price with Economic Price Adjustment (FPEPA). The FPEPA version of this contract will reflect the essential economic and financial terms originally intended to be realized by the Government and the Contractor in the regulated version of the contract. If both parties cannot come to a mutual agreement then this contract will be terminated for convenience at no cost to the Government.

(End of Section)

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)

This contract incorporates one or more clauses 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. Also, the full text of a clause may be accessed electronically at these addresses:

<http://farsite.hill.af.mil>
<http://www.acquisition.gov/>

(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	Nov 2013
52.203-3	Gratuities	FAR 3.202	Apr 1984
52.203-5	Covenant Against Contingent Fees	FAR 3.404	May 2014
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	May 2014
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity	FAR 3.104-9(a)	May 2014
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity	FAR 3.104-9(b)	May 2014
52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions	FAR 3.808(a)	Sept 2007
52.203-12	Limitation on Payments to Influence Certain Federal Transactions	FAR 3.808(b)	Oct 2010
52.203-13	Contractor Code of Business Ethics and Conduct	FAR 3.1004(a)	Apr 2010

FAR Paragraph	Clause Title	IAW	Date
52.203-17	Contractor Employee Whistleblower Rights and Requirements to Inform Employees of Whistleblower Rights	FAR 3.908-9	Apr 2014
52.204-4	Printed or Copied Double-sided on Postconsumer Fiber Content Paper	FAR 4.303	May 2011
52.204-9	Personal Identity Verification of Contractor Personnel	FAR 4.1303	Jan 2011
52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards	FAR 4.1403(a)	Jul 2013
52.204-13	System for Award Management Maintenance	FAR 4.1105(b)	Jul 2013
52.204-16	Commercial and Government entity Code Reporting	FAR 4.1804(a)	Nov 2014
52.204-19	Incorporation by Reference of Representations and Certifications	FAR 4.1202(b)	Dec 2014
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	Aug 2013
52.209-7	Information Regarding Responsibility Matters	FAR 9.104-7(b)	Jul 2013
52.209-9	Updates of Publicly Available Information Regarding Responsibility Matters, Alternate I	FAR 9.104-7(c)(2)	Jul 2013
52.215-2	Audit and Records -- Negotiations	FAR 15.209(b)	Oct 2010
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)	Aug 2011
52.215-13	Subcontractor Cost or Pricing Data—Modifications	FAR 15.408(e)	Oct 2010
52.215-21	Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data – Modifications	FAR 15.408(m)	Oct 2010
52.219-4	Notice of Price Evaluation Preference for HUBZone Small Business Concerns	FAR 19.1309(b)	Oct 2014
52.219-8	Utilization of Small Business Concerns	FAR 19.708(a)	Oct 2014
52.219-9	Small Business Subcontracting Plan <i>Alternate II</i>	FAR 19.708(b)(1)(ii)	Oct 2014 Alt II Oct 2001

FAR Paragraph	Clause Title	IAW	Date
52.219-16	Liquidated Damages—Subcontracting Plan	FAR 19.708(b)(2)	Jan 1999
52.219-28	Post-Award Small Business Program Representation	FAR 19.309(c)	Jul 2013
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
52.222-4	Contract Work Hours and Safety Standards Act - - Overtime Compensation	FAR 22.305	May 2014
52.222-21	Prohibition of Segregated Facilities	FAR 22.810(a)(1)	Apr 2015
52.222-26	Equal Opportunity	FAR 22.810(e)	Apr 2015
52.222-35	Equal Opportunity for Veterans	FAR 22.1310(a)(1)	Jul 2014
52.222-36	Equal Opportunity for Workers with Disabilities	FAR 22.1408(a)	Jul 2014
52.222-37	Employment Reports on Veterans	FAR 22.1310(b)	Jul 2014
52.222-50	Combating Trafficking in Persons	FAR 22.1705(a)	Mar 2015
52.222-54	Employment Eligibility Verification	FAR 22.1803	Aug 2013
52.223-3	Hazardous Material Identification and Material Safety Data	FAR 23.303	Jan 1997
52.223-5	Pollution Prevention and Right-to-Know Information Alternate I	FAR 23.1005	May 2011 Alt I May 2011
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
52.223-18	Encouraging Contractor Policies to Ban Text Messaging While Driving	FAR 23.1105	Aug 2011
52.225-13	Restrictions on Certain Foreign Purchases	FAR 25.1103(a)	Jun 2008

FAR Paragraph	Clause Title	IAW	Date
52.227-1	Authorization and Consent	FAR 27.201-2(a)(1)	Dec 2007
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
52.232-11	Extras	FAR 32.111(c)(2)	Apr 1984
52.232-17	Interest	FAR 32.611(a) and (b)	Oct 2010
52.232-18	Availability of Funds	FAR 32.706-1(a)	Apr 1984
52.232-23	Assignment of Claims <i>Alternate I</i>	FAR 32.806(a)(1)	Jan 1986 Alt I Apr 1984
52.232-25	Prompt Payment	FAR 32.908(c)	Jul 2013
52.232-33	Payment by Electronic Funds Transfer - System for Award Management	FAR 32.1110(a)(1)	Dec 2013
52.233-1	Disputes <i>Alternate I</i>	FAR 33.215	Jul 2002 Alt I 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
52.242-13	Bankruptcy	FAR 42.903	Jul 1995
52.243-1	Changes – Fixed-Price <i>Alternate I</i>	FAR 43.205(a)(1)	Aug 1987 Alt I Apr 1984

FAR Paragraph	Clause Title	IAW	Date
52.243-7	Notification of Changes	FAR 43.107	Apr 1984
52.244-6	Subcontracts for Commercial Items	FAR 44.403	Apr 2015
52.249-2	Termination for Convenience of the Government (Fixed Price)	FAR 49.502(b)(1)(i)	April 2012
52.249-8	Default (Fixed Price Supply and Service)	FAR 49.504(a)(1)	Apr 1984
52.253-1	Computer Generated Forms	FAR 53.111	Jan 1991

I.2.1 Disputes

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
252.201-7000	Contracting Officer's Representative	DFARS 201.602-70	Dec 1991
252.203-7000	Requirements Relating to Compensation of Former DoD Officials	DFARS 203.171-4	Sept 2011
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	Sep 2013
252.203-7004	Display of Hotline Posters	DFARS 203.10049(b)(2)(ii)	Oct 2015

DFARS Paragraph	Clause Title	IAW	Date
252.204-7000	Disclosure of Information	DFARS 204.404-70(a)	Aug 2013
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	Oct 2015
252.215-7000	Pricing Adjustments	DFARS 215.408(1)	Dec 2012
252.219-7003	Small Business Subcontracting Plan (DoD Contracts)	DFARS 219.708(b)(1)(A)(1)	Mar 2016
252.223-7004	Drug-Free Work Force	DFARS 223.570-2	Sep 1988
252.223-7006	Prohibition on Storage, Treatment, and Disposal of and Hazardous Materials	DFARS 223.7106	Sep 2014
252.223-7008	Prohibition of Hexavalent Chromium	DFARS 223.7306	Jun 2013
252.225-7012	Preference for Certain Domestic Commodities	DFARS 225.7002-3(a)	Feb 2013
252.225-7048	Export Controlled Items	DFARS 225.7901-4	Jun 2013
252.226-7001	Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns	DFARS 226.104	Sep 2004
252.231-7000	Supplemental Cost Principles	DFARS 231.100-70	Dec 1991
252.232-7003	Electronic Submission of Payment Requests And Receiving Reports	DFARS 232.7004	June 2012
252.232-7010	Levies on Contract Payments	DFARS 232.7102	Dec 2006
252.235-7003	Frequency Authorization-Basic	DFARS 235.072(b)	Mar 2014

DFARS Paragraph	Clause Title	IAW	Date
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	Dec 2012
252.244-7000	Subcontracts for Commercial Items and Commercial Components (DOD Contracts)	DFARS 244.403	Jun 2013
252.247-7023	Transportation of Supplies by Sea	DFARS 247.574(b)(1)	Apr 2014

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

I.5 Clauses Incorporated by Reference: Construction Wage Rates Requirements

The following FAR clauses are incorporated by reference and apply to Initial System Deficiency Corrections, subsequent System Deficiency Corrections, and new connections that involve construction, alteration, or repair (including painting or decorating).

Paragraph	Clause Title	IAW	Date
52.222-5	Construction Wage Rate Requirements – Secondary Site of the Work	FAR 22.407(h)	May 2014
52.222-6	Construction Wage Rate Requirements	FAR 22.407(a)	May 2014
52.222-7	Withholding of Funds	FAR 22.407(a)	May 2014
52.222-8	Payrolls and Basic Records	FAR 22.407(a)	May 2014
52.222-9	Apprentices and Trainees	FAR 22.407(a)	Jul 2005
52.222-10	Compliance with Copeland Act Requirements	FAR 22.407(a)	Feb 1988
52.222-11	Subcontracts (Labor Standards)	FAR 22.407(a)	May 2014
52.222-12	Contract Termination – Debarment	FAR 22.407(a)	May 2014
52.222-13	Compliance with Construction Wage Rate Requirements and Related Regulations	FAR 22.407(a)	May 2014
52.222-14	Disputes Concerning Labor Standards	FAR 22.407(a)	Feb 1988
52.222-15	Certification of Eligibility	FAR 22.407(a)	May 2014

I.6 Other Clauses

The following clauses are incorporated in award.

FAR 52.241-2: Order of Precedence—Utilities (FEB 1995)

In the event of any inconsistency between the terms of this contract (including the specifications) and any rate schedule, rider, or exhibit incorporated in this contract by reference or otherwise, or any of the Contractor's rules and regulations, Section C.1, Precedence, of this contract shall control.

(End of Clause)

FAR 52.241-3: Scope and Duration of Contract (Feb 1995)

(a) For the period identified in F.2, *Commencement of Service*, the Contractor agrees to furnish and the Government agrees to purchase the utility services in accordance with the applicable tariff(s), rules, and regulations as approved by the applicable governing regulatory body and as set forth in the contract.

(b) It is expressly understood that neither the Contractor nor the Government is under any obligation to continue any service under the terms and conditions of this contract beyond the expiration date.

(c) The Contractor shall provide the Government with one complete set of rates, terms, and conditions of service which are in effect as of the date of this contract and any subsequently approved rates.

(d) The Contractor shall be paid at the applicable rate(s) under the tariff and the Government shall be liable for the minimum monthly charge, if any, specified in this contract commencing with the period in which service is initially furnished and continuing for the term of this contract. Any minimum monthly charge specified in this contract shall be equitably prorated for the periods in which commencement and termination of this contract become effective.(End of Clause)

FAR 52.241-6: Service Provisions (Feb 1995)

(a) Measurement of service.

(1) All service furnished by the Contractor shall be measured by suitable metering equipment of standard manufacture, to be furnished, installed, maintained, repaired, calibrated, and read by the Contractor at its expense. When more than a single meter is installed at a service location, the readings thereof may be billed conjunctively, if appropriate. In the event any meter fails to register (or registers incorrectly) the service furnished, the parties shall agree upon the length of time of meter malfunction and the quantity of service delivered during such period of time. An appropriate adjustment shall be made to the next invoice for the purpose of correcting such errors. However, any meter which registers not more than ___ percent slow or fast shall be deemed correct.

(2) The Contractor shall read all meters at periodic intervals of approximately 30 days or in accordance with the policy of the cognizant regulatory body or applicable bylaws. All billings based on meter readings of less than ___ days shall be prorated accordingly.

(b) Meter test.

(1) The Contractor, at its expense, shall periodically inspect and test Contractor-installed meters at intervals not exceeding ___ year(s) The Government has the right to have representation during the inspection and test.

(2) At the written request of the Contracting Officer, the Contractor shall make additional tests of any or all such meters in the presence of Government representatives. The cost of such additional tests shall be borne by the Government if the percentage of errors is found to be not more than ___ percent slow or fast.

(3) No meter shall be placed in service or allowed to remain in service which has an error in registration in excess of ___ percent under normal operating conditions.

(c) Change in volume or character. Reasonable notice shall be given by the Contracting Officer to the Contractor regarding any material changes anticipated in the volume or characteristics of the utility service required at each location.

(d) Continuity of service and consumption. The Contractor shall use reasonable diligence to provide a regular and uninterrupted supply of service at each service location, but shall not be liable for damages, breach of contract or otherwise, to the Government for failure, suspension, diminution, or other variations of service occasioned by or in consequence of any cause beyond the control of the Contractor, including but not limited to acts of God or of the public enemy, fires, floods, earthquakes, or other catastrophe, strikes, or failure or breakdown of transmission or other facilities. If any such failure, suspension, diminution, or other variation of service shall aggregate more than _____ hour(s) during any billing period hereunder, an equitable adjustment shall be made in the monthly billing specified in this contract (including the minimum monthly charge).

(End of Clause)

FAR 52.241-7: Change in Rates or Terms and Conditions of Service for Regulated Services (Feb 1995).

(a) This clause applies to the extent services furnished under this contract are subject to regulation by a regulatory body. The Contractor agrees to give the Contracting Officer written notice of

(1) the filing of an application for change in rates or terms and conditions of service concurrently with the filing of the application and

(2) any changes pending with the regulatory body as of the date of contract award. Such notice shall fully describe the proposed change. If, during the term of this contract, the regulatory body having jurisdiction approves any changes, the Contractor shall forward to the Contracting Officer a copy of such changes within 15 days after the effective date thereof. The Contractor agrees to continue furnishing service under this contract in accordance with the amended tariff, and the Government agrees to pay for such service at the higher or lower rates as of the date when such rates are made effective.

(b) The Contractor agrees that throughout the life of this contract the applicable published and unpublished rate schedule(s) shall not be in excess of the lowest cost published and unpublished rate schedule(s) available to any other customers of the same class under similar conditions of use and service.

(c) In the event that the regulatory body promulgates any regulation concerning matters other than rates which affects this contract, the Contractor shall immediately provide a copy to the Contracting Officer. The Government shall not be bound to accept any new regulation inconsistent with Federal laws or regulations.

(d) Any changes to rates or terms and conditions of service shall be made a part of this contract by the issuance of a contract modification unless otherwise specified in the contract. The effective date of the change shall be the effective date by the regulatory body. Any factors not governed by the regulatory body will have an effective date as agreed to by the parties.

(End of Clause)

DFARS 252.203-7997 Prohibition on Contracting with Entities that Require Certain Internal Confidentiality Agreements (DEVIATION 2016-O0003)(OCT 2015)

(a) The Contractor shall not require employees or subcontractors seeking to report fraud, waste, or abuse to sign or comply with internal confidentiality agreements or statements prohibiting or otherwise restricting such employees or contractors from lawfully reporting such waste, fraud, or abuse to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information.

(b) The Contractor shall notify employees that the prohibitions and restrictions of any internal confidentiality agreements covered by this clause are no longer in effect.

(c) The prohibition in paragraph (a) of this clause does not contravene requirements applicable to Standard Form 312, Form 4414, or any other form issued by a Federal department or agency governing the nondisclosure of classified information.

(d)(1) Use of funds appropriated (or otherwise made available) by the Continuing Appropriations Act, 2016 (Pub. L. 114-53) or any other FY 2016 appropriations act that extends to FY 2016 funds the same prohibitions as contained in sections 743 of division E, title VII, of the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235) may

be prohibited, if the Government determines that the Contractor is not in compliance with the provisions of this clause.

- (2) The Government may seek any available remedies in the event the Contractor fails to perform in accordance with the terms and conditions of the contract as a result of Government action under this clause.

(End of clause)

DFARS 252.204-7012 SAFEGUARDING COVERED DEFENSE INFORMATION AND CYBER INCIDENT REPORTING (DEC 2015)

(a) *Definitions.* As used in this clause—

“Adequate security” means protective measures that are commensurate with the consequences and probability of loss, misuse, or unauthorized access to, or modification of information.

“Compromise” means disclosure of information to unauthorized persons, or a violation of the security policy of a system, in which unauthorized intentional or unintentional disclosure, modification, destruction, or loss of an object, or the copying of information to unauthorized media may have occurred.

“Contractor attributional/proprietary information” means information that identifies the contractor(s), whether directly or indirectly, by the grouping of information that can be traced back to the contractor(s) (e.g., program description, facility locations), personally identifiable information, as well as trade secrets, commercial or financial information, or other commercially sensitive information that is not customarily shared outside of the company.

“Contractor information system” means an information system belonging to, or operated by or for, the Contractor.

“Controlled technical information” means technical information with military or space application that is subject to controls on the access, use, reproduction, modification, performance, display, release, disclosure, or dissemination. Controlled technical information would meet the criteria, if disseminated, for distribution statements B through F using the criteria set forth in DoD Instruction 5230.24, Distribution Statements on Technical Documents. The term does not include information that is lawfully publicly available without restrictions.

“Covered contractor information system” means an information system that is owned, or operated by or for, a contractor and that processes, stores, or transmits covered defense information.

“Covered defense information” means unclassified information that—

(i) Is—

(A) Provided to the contractor by or on behalf of DoD in connection with the performance of the contract; or

(B) Collected, developed, received, transmitted, used, or stored by or on behalf of the contractor in support of the performance of the contract; and

(ii) Falls in any of the following categories:

(A) *Controlled technical information.*

(B) *Critical information (operations security).* Specific facts identified through the Operations Security process about friendly intentions, capabilities, and activities vitally needed by adversaries for them to plan and act effectively so as to guarantee failure or unacceptable consequences for friendly mission accomplishment (part of Operations Security process).

(C) *Export control.* Unclassified information concerning certain items, commodities, technology, software, or other information whose export could reasonably be expected to adversely affect the United States national security and nonproliferation objectives. To include

dual use items; items identified in export administration regulations, international traffic in arms regulations and munitions list; license applications; and sensitive nuclear technology information.

(D) Any other information, marked or otherwise identified in the contract, that requires safeguarding or dissemination controls pursuant to and consistent with law, regulations, and Governmentwide policies (e.g., privacy, proprietary business information).

“Cyber incident” means actions taken through the use of computer networks that result in a compromise or an actual or potentially adverse effect on an information system and/or the information residing therein.

“Forensic analysis” means the practice of gathering, retaining, and analyzing computer-related data for investigative purposes in a manner that maintains the integrity of the data.

“Malicious software” means computer software or firmware intended to perform an unauthorized process that will have adverse impact on the confidentiality, integrity, or availability of an information system. This definition includes a virus, worm, Trojan horse, or other code-based entity that infects a host, as well as spyware and some forms of adware.

“Media” means physical devices or writing surfaces including, but is not limited to, magnetic tapes, optical disks, magnetic disks, large-scale integration memory chips, and printouts onto which information is recorded, stored, or printed within an information system.

“Operationally critical support” means supplies or services designated by the Government as critical for airlift, seairlift, intermodal transportation services, or logistical support that is essential to the mobilization, deployment, or sustainment of the Armed Forces in a contingency operation. “Rapid(ly) report(ing)” means within 72 hours of discovery of any cyber incident.

“Technical information” means technical data or computer software, as those terms are defined in the clause at DFARS [252.227-7013](#), Rights in Technical Data-Non Commercial Items, regardless of whether or not the clause is incorporated in this solicitation or contract. Examples of technical information include research and engineering data, engineering drawings, and associated lists, specifications, standards, process sheets, manuals, technical reports, technical orders, catalog-item identifications, data sets, studies and analyses and related information, and computer software executable code and source code.

(b) *Adequate security.* The Contractor shall provide adequate security for all covered defense information on all covered contractor information systems that support the performance of work under this contract. To provide adequate security, the Contractor shall—

(1) Implement information systems security protections on all covered contractor information systems including, at a minimum—

(i) For covered contractor information systems that are part of an Information Technology (IT) service or system operated on behalf of the Government—

(A) Cloud computing services shall be subject to the security requirements specified in the clause [252.239-7010](#), Cloud Computing Services, of this contract; and

(B) Any other such IT service or system (i.e., other than cloud computing) shall be subject to the security requirements specified elsewhere in this contract; or

(ii) For covered contractor information systems that are not part of an IT service or system operated on behalf of the Government and therefore are not subject to the security requirement specified at paragraph (b)(1)(i) of this clause—

(A) The security requirements in National Institute of Standards and Technology (NIST) Special Publication (SP) 800-171, “Protecting Controlled Unclassified Information in Nonfederal Information Systems and Organizations,” <http://dx.doi.org/10.6028/NIST.SP.800-171> that is in effect at the time the solicitation is issued or as authorized by the Contracting Officer, as soon as practical, but not later than December 31, 2017. The Contractor shall notify the DoD CIO, via email at osd.dibcsia@mail.mil, within 30 days of contract award, of any security requirements specified by NIST SP 800-171 not implemented at the time of contract award; or

(B) Alternative but equally effective security measures used to compensate for the inability to satisfy a particular requirement and achieve equivalent protection accepted in writing by an authorized representative of the DoD CIO; and

(2) Apply other information systems security measures when the Contractor reasonably determines that information systems security measures, in addition to those identified in paragraph (b)(1) of this clause, may be required to provide adequate security in a dynamic environment based on an assessed risk or vulnerability.

(c) *Cyber incident reporting requirement.*

(1) When the Contractor discovers a cyber incident that affects a covered contractor information system or the covered defense information residing therein, or that affects the contractor's ability to perform the requirements of the contract that are designated as operationally critical support, the Contractor shall—

(i) Conduct a review for evidence of compromise of covered defense information, including, but not limited to, identifying compromised computers, servers, specific data, and user accounts. This review shall also include analyzing covered contractor information system(s) that were part of the cyber incident, as well as other information systems on the Contractor's network(s), that may have been accessed as a result of the incident in order to identify compromised covered defense information, or that affect the Contractor's ability to provide operationally critical support; and

(ii) Rapidly report cyber incidents to DoD at <http://dibnet.dod.mil>.

(2) *Cyber incident report.* The cyber incident report shall be treated as information created by or for DoD and shall include, at a minimum, the required elements at <http://dibnet.dod.mil>.

(3) *Medium assurance certificate requirement.* In order to report cyber incidents in accordance with this clause, the Contractor or subcontractor shall have or acquire a DoD-approved medium assurance certificate to report cyber incidents. For information on obtaining a DoD-approved medium assurance certificate, see <http://iase.disa.mil/pki/eca/Pages/index.aspx>.

(d) *Malicious software.* The Contractor or subcontractors that discover and isolate malicious software in connection with a reported cyber incident shall submit the malicious software in accordance with instructions provided by the Contracting Officer.

(e) *Media preservation and protection.* When a Contractor discovers a cyber incident has occurred, the Contractor shall preserve and protect images of all known affected information systems identified in paragraph (c)(1)(i) of this clause and all relevant monitoring/packet capture data for at least 90 days from the submission of the cyber incident report to allow DoD to request the media or decline interest.

(f) *Access to additional information or equipment necessary for forensic analysis.* Upon request by DoD, the Contractor shall provide DoD with access to additional information or equipment that is necessary to conduct a forensic analysis.

(g) *Cyber incident damage assessment activities.* If DoD elects to conduct a damage assessment, the Contracting Officer will request that the Contractor provide all of the damage assessment information gathered in accordance with paragraph (e) of this clause.

(h) *DoD safeguarding and use of contractor attributional/proprietary information.* The Government shall protect against the unauthorized use or release of information obtained from the contractor (or derived from information obtained from the contractor) under this clause that includes contractor attributional/proprietary information, including such information submitted in accordance with paragraph (c). To the maximum extent practicable, the Contractor shall identify and mark attributional/proprietary information. In making an authorized release of such information, the Government will implement appropriate procedures to minimize the contractor attributional/proprietary information that is included in such authorized release, seeking to include only that information that is necessary for the authorized purpose(s) for which the information is being released.

(i) *Use and release of contractor attributional/proprietary information not created by or for DoD.* Information that is obtained from the contractor (or derived from information obtained from the contractor) under this clause that is not created by or for DoD is authorized to be released outside of DoD—

(1) To entities with missions that may be affected by such information;

(2) To entities that may be called upon to assist in the diagnosis, detection, or mitigation of cyber incidents;

(3) To Government entities that conduct counterintelligence or law enforcement investigations;

(4) For national security purposes, including cyber situational awareness and defense purposes (including with Defense Industrial Base (DIB) participants in the program at 32 CFR part 236); or

(5) To a support services contractor (“recipient”) that is directly supporting Government activities under a contract that includes the clause at [252.204-7009](#), *Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information*.

(j) *Use and release of contractor attributional/proprietary information created by or for DoD.* Information that is obtained from the contractor (or derived from information obtained from the contractor) under this clause that is created by or for DoD (including the information submitted pursuant to paragraph (c) of this clause) is authorized to be used and released outside of DoD for purposes and activities authorized by paragraph (i) of this clause, and for any other lawful Government purpose or activity, subject to all applicable statutory, regulatory, and policy based restrictions on the Government’s use and release of such information.

(k) The Contractor shall conduct activities under this clause in accordance with applicable laws and regulations on the interception, monitoring, access, use, and disclosure of electronic communications and data.

(l) *Other safeguarding or reporting requirements.* The safeguarding and cyber incident reporting required by this clause in no way abrogates the Contractor’s responsibility for other safeguarding or cyber incident reporting pertaining to its unclassified information systems as required by other applicable clauses of this contract, or as a result of other applicable U.S. Government statutory or regulatory requirements.

(m) *Subcontracts.* The Contractor shall—

(1) Include this clause, including this paragraph (m), in subcontracts, or similar contractual instruments, for operationally critical support, or for which subcontract performance will involve a covered contractor information system, including subcontracts for commercial items, without alteration, except to identify the parties; and

(2) When this clause is included in a subcontract, require subcontractors to rapidly report cyber incidents directly to DoD at <http://dibnet.dod.mil> and the prime Contractor. This includes providing the incident report number, automatically assigned by DoD, to the prime Contractor (or next higher-tier subcontractor) as soon as practicable.

(End of clause)

DFARS 252.232-7007: Limitation of Government's Obligation (APR 2014)

(a) Contract line item(s) 0001 through 0051 are incrementally funded. For these item(s), the sum of \$450,833.00 of the total price is presently available for payment and allotted to this contract. An allotment schedule is set forth in paragraph (j) of this clause.

(b) For item(s) identified in paragraph (a) of this clause, the Contractor agrees to perform up to the point at which the total amount payable by the Government, including reimbursement in the event of termination of those item(s) for the Government's convenience, approximates the total amount currently allotted to the contract. The Contractor is not authorized to continue work on those item(s) beyond that point. The Government will not be obligated in any event to reimburse the Contractor in excess of the amount allotted to the contract for those item(s) regardless of anything to the contrary in the clause entitled "Termination for Convenience of the Government." As used in this clause, the total amount payable by the Government in the event of termination of applicable contract line item(s) for convenience includes costs, profit, and estimated termination settlement costs for those item(s).

(c) Notwithstanding the dates specified in the allotment schedule in paragraph (j) of this clause, the Contractor will notify the Contracting Officer in writing at least ninety days prior to the date when, in the Contractor's best judgment, the work will reach the point at which the total amount payable by the Government, including any cost for termination for convenience, will approximate 85 percent of the total amount then allotted to the contract for performance of the applicable item(s). The notification will state (1) the estimated date when that point will be reached and (2) an estimate of additional funding, if any, needed to continue performance of applicable line items up to the next scheduled date for allotment of funds identified in paragraph (j) of this clause, or to a mutually agreed upon substitute date. The notification will also advise the Contracting Officer of the estimated amount of additional funds that will be required for the timely performance of the item(s) funded pursuant to this clause, for a subsequent period as may be specified in the allotment schedule in paragraph (j) of this clause or otherwise agreed to by the parties. If after such notification additional funds are not allotted by the date identified in the Contractor's notification, or by an agreed substitute date, the Contracting Officer will terminate any item(s) for which additional funds have not been allotted, pursuant to the clause of this contract entitled "Termination for Convenience of the Government."

(d) When additional funds are allotted for continued performance of the contract line item(s) identified in paragraph (a) of this clause, the parties will agree as to the period of contract performance which will be covered by the funds. The provisions of paragraphs (b) through (d) of this clause will apply in like manner to the additional allotted funds and agreed substitute date, and the contract will be modified accordingly.

(e) If, solely by reason of failure of the Government to allot additional funds, by the dates indicated below, in amounts sufficient for timely performance of the contract line item(s) identified in paragraph (a) of this clause, the Contractor incurs additional costs or is delayed in the performance of the work under this contract and if additional funds are allotted, an equitable adjustment will be made in the price or prices (including appropriate target, billing, and ceiling prices where applicable) of the item(s), or in the time of delivery, or both. Failure to agree to any such equitable adjustment hereunder will be a dispute concerning a question of fact within the meaning of the clause entitled "Disputes."

(f) The Government may at any time prior to termination allot additional funds for the performance of the contract line item(s) identified in paragraph (a) of this clause.

(g) The termination provisions of this clause do not limit the rights of the Government under the clause entitled "Default." The provisions of this clause are limited to the work and allotment of funds for the contract line item(s) set forth in paragraph (a) of this clause. This clause no longer applies once the contract is fully funded except with regard to the rights or obligations of the parties concerning equitable adjustments negotiated under paragraphs (d) and (e) of this clause.

(h) Nothing in this clause affects the right of the Government to terminate this contract pursuant to the clause of this contract entitled "Termination for Convenience of the Government."

(i) Nothing in this clause shall be construed as authorization of voluntary services whose acceptance is otherwise prohibited under 31 U.S.C. 1342.

(j) The parties contemplate that the Government will allot funds to this contract in accordance with Section B, *Schedule*.

(End of clause)

I-0001 I.I28.01 FEDERAL, STATE, AND LOCAL TAXES (DLA Energy NOV 2011) (DEVIATION)

(a) As used in this contract provision—

(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.

(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.

(End of clause)

SECTION J

List of Attachments, Exhibits and References

TABLE J.1-1. List of Attachments, Exhibits, and Reference Documents

Attachments = Government Issued Documents/Provisions Made Part of the Contract

Exhibits = Contractor Proposal Documents Made Part of the Contract

References = Documents Not Part of the Contract but Included for Ease of Reference

Attachments		Title
JA3		Travis AFB – Water Distribution System
JA4		Wage Determination
JA5		Federal Equivalents
Exhibits		Title
JE1		Service Interruption/Contingency & Catastrophic Loss Plan (April 1, 2016)
JE2		Operations & Maintenance/Quality Management Plan (April 1, 2016)
JE3		ISDCs/Upgrades/Connections and R&R Plan (April 1, 2016)
JE4		Operational Transition Plan (April 1, 2016)
JE5		Appendices for Water
		Appendix 1 - Emergency Response Plan (Dixon District)
		Appendix 2 - Subfactor 2: Policy & Procedures Manual Hazardous Materials Management
		Appendix 3A - 50-Year R&R Schedule (No Costs)
		Appendix 3B - Subfactor 3: CPUC Testimony & Summary - AUS Useful Life Valley Districts Depreciation Study
		Appendix 4A - Transition Schedule Gantt Chart
		Appendix 4B - Joint Inventory Checklist - Fixed Assets
JE6		Socioeconomic Plan (April 1, 2016)
JE7		Subcontracting Plan (April 1, 2016)
JE8		Price Proposal (April 1, 2016)
Reference Documents		Title
JR1		Bill of Sale (TBD)