

Defense Energy Support Center, Utilities Privatization

**Competitive Solicitation
Request for Proposal (RFP)
Fort Knox, Kentucky**

September 12, 2001

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**INFORMATION TO OFFERORS OR QUOTERS
SECTION A - COVER SHEET**

1. SOLICITATION NUMBER

SP0600-01-R-0121

2. (X one)

a. SEALED OFFER

b. NEGOTIATED (RFP)

c. NEGOTIATED (RFQ)

INSTRUCTIONS

NOTE THE AFFIRMATIVE ACTION REQUIREMENT OF THE EQUAL OPPORTUNITY CLAUSE WHICH MAY APPLY TO THE CONTRACT RESULTING FROM THIS SOLICITATION.

You are cautioned to note the "Certification of Non-Segregated Facilities" in the solicitation. Failure to agree to the certification will render your reply nonresponsive to the terms of solicitations involving awards of contracts exceeding \$25,000 which are not exempt from the provisions of the Equal Opportunity clause.

"Fill-ins" are provided on the face and reverse of Standard Form 18 and Parts I and IV of Standard Form 33, or other solicitation documents and Sections of Table of Contents in this solicitation and should be examined for applicability.

*See the provision of this solicitation entitled either "Late Bids, Modifications of Bids or Withdrawal of Bids" or "Late Proposals, Modifications of Proposals and Withdrawals of Proposals." NOTE: The new title of this clause is "LATE SUBMISSIONS, MODIFICATIONS AND WITHDRAWALS OF PROPOSALS."

When submitting your reply, the envelope used must be plainly marked with the Solicitation Number, as shown above and the date and local time set forth for bid opening or receipt of proposals in the solicitation document.

If NO RESPONSE is to be submitted, detach this sheet from the solicitation, complete the information requested on reverse, fold, affix postage, and mail. NO ENVELOPE IS NECESSARY.

Replies must be set forth full, accurate, and complete information as required by this solicitation (including attachments). The penalty for making false statements is prescribed in 18 U.S.C. 1001.

3. ISSUING OFFICE (Complete mailing address, including Zip Code)

DEFENSE ENERGY SUPPORT CENTER
ATTN: DESC-EPP
8725 JOHN J. KINGMAN ROAD, SUITE 4950
FT. BELVOIR, VA 22060-6222

FAX: 703-767-8506

4. ITEMS TO BE PURCHASED (Brief description)

Privatization of the wastewater utility systems at Fort Knox Army Installation, Kentucky

5. PROCUREMENT INFORMATION (X and complete as applicable)

a. THIS PROCUREMENT IS UNRESTRICTED

b. THIS PROCUREMENT IS A ___% SET-ASIDE FOR ONE OF THE FOLLOWING (X One). (See Section I of the Table of Contents in this solicitation for details of the set-aside.)

(1) Small Business

(2) Labor Surplus Area Concerns

(3) Combined Small Business/Labor Area Concerns

*****IMPORTANT INFORMATION*****

A. Defense Reform Initiative Directive #49 directed the Military Departments to privatize all utility systems, except where needed for unique security reasons or when privatization is uneconomical. Privatization is described as the total divestiture of a utility system through the transfer and conveyance of the installation's utility infrastructure assets in conjunction with and for the purpose of the conveyee providing utility distribution services on a long-term basis. The successful conveyee under this solicitation shall assume ownership, operation, maintenance, and repair of the Government-owned utility systems.

B. CLOSING: The closing date and time for proposals under this solicitation is March 10, 2002, at 3:00 p.m. local time, Fort Belvoir, VA. Offers received at the address herein after the exact time specified for receipt of offers will not be considered as outlined in FAR 52.215-1.

C. Facsimile/electronic offers will not be permitted.

7. POINT OF CONTACT FOR INFORMATION

a. NAME (Last, First, Middle Initial)

VELEZ, VERNA, L.

b. ADDRESS (Including Zip Code)

DEFENSE ENERGY SUPPORT CENTER
ATTN: DESC-EPP

8725 JOHN J. KINGMAN ROAD, SUITE 4950
FT. BELVOIR, VA 22060-6222

c. TELEPHONE NUMBER (Including Area Code and Extension) (NO COLLECT CALLS) 703-767-9405

8. REASONS FOR NO RESPONSE (X all that apply)			
a. CANNOT COMPLY WITH SPECIFICATIONS		b. CANNOT MEET DELIVERY REQUIREMENTS	
c. UNABLE TO IDENTIFY THE ITEM(S)		d. DO NOT REGULARLY MANUFACTURE OR SELL THE TYPE OF ITEMS INVOLVED	
e. OTHER (Specify)			
9. MAILING LIST INFORMATION (X one)			
YES	NO	WE DESIRE TO BE RETAINED ON THE MAILING LIST FOR FUTURE PROCUREMENT OF THE TYPE OF ITEM(S) INVOLVED.	
10. RESPONDING FIRM			
a. COMPANY NAME		b. ADDRESS (Including Zip Code)	
c. ACTION OFFICER			
(1) Typed or Printed Name (Last, First, Middle Initial)	(2) Title	(3) Signature	(4) Date Signed (YYMMDD)

DD Form 1707 Reverse, MAR 90

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FROM

FOLD

AFFIX
STAMP
HERE

SOLICITATION NUMBER	
SP0600-01-R-0121	
DATE (YYMMDD)	LOCAL TIME
020311	3:00 PM

TO Defense Energy Support Center
ATTN: DESC-CPC, Room 3729
8725 John J. Kingman Road, Suite 4950
Ft. Belvoir, VA 22060-6222

DD Form 1707 (Continued)

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PAGE 3 OF 3

D. The Government encourages alternative proposals which add value when compared with the requirements in the RFP, please refer to section L.6.2 for more information.

E. Easement maps will be made available to offerors in the Technical Libraries.

F. BEST VALUE: Award will be made to the offeror(s) whose proposal represents the "best value" to the Government. Offerors will be evaluated based on established factors/criteria outlined in Section M of the solicitation.

G. Offerors are required to submit Technical Proposal, Cost Proposal, Past Performance and Contract Documentation as outlined in Section L of the solicitation. Offerors are also required to submit fully completed SF 33.

H. CONTRACT PERIOD: The period of performance is 50 years from the performance start date.

I. ACKNOWLEDGING AMENDMENTS: An offeror must acknowledge receipt and acceptance of all amendments to the solicitation. You may do this by either signing and returning the amendment immediately after issuance, or by written acknowledgment of receipt and acceptance as part of the proposal submission package.

J. PRE-PROPOSAL CONFERENCE: A pre-proposal conference will be held shortly following the solicitation issuance. Specific information regarding this conference will be provided at the following DESC web site: <http://www.desc.dla.mil/main/a/priv/priv.htm>, or by contacting the listed individual below.

In order to make the conference as productive as possible, offerors are requested to submit any questions in writing (electronic mail is preferred) at least three working days in advance of the conference to:

Defense Energy Support Center – DESC EPP
Attn: Sherry Anderson
8725 John J. Kingman Road, Suite 4950
Fort Belvoir, VA 22060-6222

E-mail: sanderson@desc.dla.mil
or
Fax: (703) 767-8757

K. SMALL BUSINESS OFFICE: For questions regarding small business matters, contact Ms. Kathy Williams at the DESC Small Business Office, telephone (703) 767-9400 or 1-800-523-2601.

L. RIGHT NOT TO AWARD: The Government reserves the right not to award any line item solicited in the RFP, if it is determined, after evaluation of offers, that award would not be in the best interest of the Government.

M. Copies of the solicitation are available on the DESC web site: <http://www.desc.dla.mil/main/a/priv/priv.htm>

SOLICITATION, OFFER AND AWARD			1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350)		RATING	PAGE OF PAGES 1 79	
2. CONTRACT NO.		3. SOLICITATION NO. SP0600-01-R-0121		4. TYPE OF SOLICITATION <input type="checkbox"/> SEALED BID (IFB) <input checked="" type="checkbox"/> NEGOTIATED (RFP)		5. DATE ISSUED APRIL 9, 2001	
7. ISSUED BY DEFENSE ENERGY SUPPORT CENTER 8725 JOHN J. KINGMAN ROAD, SUITE 4950 FT. BELVOIR, VA 22060-6222 BUYER/SYMBOL: S. ANDERSON /DESC-EPP (703) 767-8127 FAX: (703) 767-8757		CODE SCO600		8. ADDRESS OFFER TO (If other than item 7) ATTN: BID CUSTODIAN, DESC-CPC, ROOM 3729 DEFENSE ENERGY SUPPORT CENTER 8725 JOHN J. KINGMAN ROAD, SUITE 4950 FT. BELVOIR, VA 22060-6222			
NOTE: In sealed bid solicitation "offer" and "offeror mean "bid" and "Bidder".							
SOLICITATION							
9. Sealed offers in original and 4 (3 hard copy and 1 CD) copies for furnishing the supplies or services in the Schedule will be received at the place specified in Item 8, or if handcarried, in the depository located in ROOM 3729 until March 11, 2002 at 3:00 PM local time. (hour) (date) CAUTION - LATE Submissions, Modifications, and Withdrawals: See Section L. Provision No. 52.215-1. All offers are subject to all terms and conditions contained in this solicitation.							
10. FOR INFORMATION CALL:		A. NAME SHERRY ANDERSON			B. TELEPHONE NO. (Include Area Code) (NO COLLECT CALLS) (703) 767-8127		
11. TABLE OF CONTENTS							
(x)	SEC.	DESCRIPTION	PAGE(S)	(x)	SEC.	DESCRIPTION	PAGES
PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES			
<input checked="" type="checkbox"/>	A	SOLICITATION/CONTRACT FORM	1	<input checked="" type="checkbox"/>	I	CONTRACT CLAUSES	34
<input checked="" type="checkbox"/>	B	SUPPLIES OR SERVICE AND PRICES/COSTS	2	PART III - LIST OF DOCUMENTS, EXHIBITS, AND OTHER ATTACH.			
<input checked="" type="checkbox"/>	C	DESCRIPTION/SPECS/WORK STATEMENT	11	<input checked="" type="checkbox"/>	J	LIST OF ATTACHMENTS	42
<input checked="" type="checkbox"/>	D	PACKAGING AND MARKETING	25	PART IV - REPRESENTATIONS AND INSTRUCTIONS			
<input checked="" type="checkbox"/>	E	INSPECTION AND ACCEPTANCE	26	<input checked="" type="checkbox"/>	K	REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENTS OF OFFERORS	43
<input checked="" type="checkbox"/>	F	DELIVERIES OR PERFORMANCE	27	<input checked="" type="checkbox"/>	L	INSTRS., COND., AND NOTICES TO OFFERORS	55
<input checked="" type="checkbox"/>	G	CONTRACT ADMINISTRATION	28	<input checked="" type="checkbox"/>	M	EVALUATION FACTORS FOR AWARD	76
<input checked="" type="checkbox"/>	H	SPECIAL CONTRACT REQUIREMENTS	30				
OFFER (Must be fully completed by offeror)							
NOTE: ITEM 12 does not apply if the solicitation includes the provisions at 52.214-16, Minimum Bid Acceptance Period.							
12. In compliance with the above, the undersigned agrees, if this offer is accepted within 300 calendar days (60 calendar days unless a different period is inserted by the offer) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.							
13. DISCOUNT FOR PROMPT PAYMENT (See section I, Clause No 52.232-8)		10 CALENDAR DAYS		20 CALENDAR DAYS		30 CALENDAR DAYS	
		%		%		%	
14. ACKNOWLEDGMENT OF AMENDMENTS (The offeror acknowledges receipt of amendments to the solicitation for offerors and related documents numbered and dated.		AMENDMENT NO.		DATE		AMENDMENT NO.	
15A. NAME AND ADDRESS OF OFFEROR		CODE		FACILITY		16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or print)	
BIDDER CODE-		CAGE CODE-				FAX #	
15B. TELEPHONE NO. (Include area code)		15C. CHECK IF REMITTANCE ADDRESS [] IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE		17. SIGNATURE		18. OFFER DATE	
AWARD (To be completed by Government)							
19. ACCEPTED AS TO ITEM NUMBERED		20. AMOUNT (EST)		21. ACCOUNTING AND APPROPRIATION			
22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: [] 10 U.S.C. 2304(c)() [] 41 U.S.C. 253(c)()				23. SUBMIT INVOICES TO ADDRESS SHOWN IN ? (4 copies unless otherwise specified)		ITEM	
24. ADMINISTRATION BY (If other than Item 7) CODE				25. PAYMENT WILL BE MADE BY CODE			
26. NAME OF CONTRACTING OFFICER (Type of print)				27. UNITED STATES OF AMERICA (Signature of Contracting Officer)		28. AWARD DATE	

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

SECTION B

Supplies or Services and Prices/Costs

B.1 Clauses and Provisions

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

B.2 General

The Government seeks offerors to assume ownership, operation and maintenance of the utility infrastructures (Wastewater) on Fort Knox Army Installation. The Contractor shall furnish all necessary labor, management, supervision, permits, equipment, supplies, materials, transportation, and any other incidental services for the complete ownership, operation, maintenance, repair, upgrades, and improvements to these utility systems. These services shall be provided in accordance with all terms, conditions, and special contract requirements, specifications, attachments, and drawings contained in this solicitation or incorporated by reference.

Selection of a Contractor will be based on a best value determination consistent with the evaluation factors described in Section M, *Evaluation Factors for Award*. Pursuant to the provisions of the Clause at FAR 52.215-1, *Instructions to Offerors - Competitive Acquisition*, the Government intends to negotiate with all responsible offerors whose proposals are determined to be within the competitive range. As FAR 15.306, *Exchanges with offerors after receipt of proposals*, requires that the contracting officer establish a competitive range and those offerors outside the competitive range are not allowed to continue participating in the procurement, offerors are encouraged to submit their best offer as their initial offer.

B.3 Systems to Be Privatized

The contract line item numbers (CLINs), shown in schedule A, represent the utility systems included in this solicitation for privatization:

SCHEDULE A

Utility System Contract Line Item Numbers

CLIN	Installation	Utility System
0001	Fort Knox, Kentucky	Wastewater

B.4 Offers for Multiple Systems

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

B.5 Price Proposal

B.5.1 Price Proposal

The Offeror shall complete a schedule B-1 for each utility system included in the proposal. An example of a completed Schedule B-1 is included in Section J, Attachment J40.

SCHEDULE B-1

Utility Service Payment by the Government

Fort Knox, Kentucky		
CLIN^a	Utility System	
Sub-CLINS	SUPPLIES/SERVICES	MONTHLY SERVICE CREDIT/CHARGE
AA	Fixed Monthly Charge (see B.5.2.1, <i>Service Charges</i>) The Contractor shall provide utility service in accordance with Section C, <i>Descriptions, Specifications, and Work Statement.</i> ^b	\$ _____
AB	Monthly Credit as Payment for Purchase Price. (see B.5.2.2, <i>Monthly Credit as Payment for Purchase Price</i>). \$ _____ Monthly Credit _____ # of months	\$(_____)
<p>^a CLIN number to be filled in by the Offeror. CLIN numbers are shown in Schedule A paragraph B.3, <i>Systems to be Privatized</i>.</p> <p>^b The Offeror should enter the Fixed Monthly Charge, as computed in Schedule L-1. Additions to the Fixed Monthly Charge will be handled in accordance with Section H.9, <i>Accounting for Capital Upgrades/Purchase Price</i>, and Schedule L-3, but should not be included in the price offered for Sub-CLIN AA.</p>		

B.5.2 Service Charges

B.5.2.1 Sub-CLIN AA – Fixed Monthly Charge: The Fixed Monthly Charge consists of two components, operations and maintenance and renewals and replacements (Schedule L-1) and the price of the capital upgrades listed in Schedule L-3 will be added to the Fixed Monthly Charge in Schedule B-1 for the duration of the amortization period. The recoverable portion of the purchase price listed in the price proposal (Schedule L-3) will be added to the Fixed Monthly Charge in Schedule B-1 for the number of months proposed by the offeror.

Prices proposed for Sub-CLIN AA identified in Schedule L-1 shall be based on expected price levels during the first two years of operation. The effect of price inflation on costs incurred in years subsequent to the first 2 years of operation will be considered as part of the price redetermination process defined in Section B.7, *Type of Contract – Price Redetermination—Prospective*.

B.5.2.2 Sub-CLIN AB – Monthly Credit as Payment for Purchase Price: The monthly credit is the monthly portion of the purchase price which will be credited to the Government over the number of months proposed by the offeror. The purchase price is the product of the monthly credit multiplied by the number of months the Government will receive the credit. (Sub-CLIN AB). The credit will be applied to the fixed monthly charge, as defined in Sub-CLIN AA.

B.6 Alternate Price Proposal

B.6.1 Alternate Price Proposal

The Offeror shall complete a schedule B-2 for each utility system included in the proposal if proposing established or special tariff(s), schedule(s) and rate(s).

SCHEDULE B-2

Utility Service Payment by the Government

Fort Knox, Kentucky		
CLIN^a	Utility System	
Sub-CLINs	Supplies/Services	Tariff/Schedule/Rate
AA	Applicable Tariff(s) (See B.6.2 Service Charges)	
AB	Monthly Credit as Payment for Purchase Price (see B.6.2, <i>Service Charges</i>). \$ _____ Monthly Credit _____ # months	\$ _____
<p>^a CLIN number to be filled in by the Offeror. CLIN numbers are shown in Schedule A paragraph B.3, <i>Systems to be Privatized</i>.</p>		

B.6.2 Service Charges for Alternate Price Proposals

B.7, *Type of Contract – Fixed Price - Price Redetermination—Prospective (FAR 52.216-5)*, does not apply to tariff rates. See clause FAR 52.241-7, *Change in rates or terms and conditions of service for regulated services*.

B.6.2.1 Sub-CLIN AA: Applicable Tariff(s)

The offeror shall propose a tariff rate or rates no less favorable than that offered to similarly situated utility customers. The offeror shall specify each proposed tariff and the buildings to which it applies (see L.7, *Proposal Preparation Instructions - Volume IV: Price Proposal*).

The total monthly price due to the Contractor will be the sum of the amount due under the Applicable Tariff(s), the recoverable portion of the purchase price as defined in paragraph H.9.3, *Recoverable Portion of the Purchase Price*, and listed in the price proposal, and capital upgrades, as defined in paragraph H.9.1, *Initial Capital Upgrades*, and listed in the price proposal.

B.6.2.2 Sub-CLIN AB: Monthly Credit as Payment for Purchase Price

Monthly Credit as Payment for Purchase Price: The monthly credit is the monthly portion of the purchase price which will be credited to the Government over the number of months proposed by the offeror. The purchase price is the product of the monthly credit multiplied by the number of months the Government will receive the credit. (Sub-CLIN AB). The credit will be applied to the fixed monthly charge, as defined in Sub-CLIN AA.

B.7 Type of Contract – Fixed Price - Price Redetermination—Prospective (FAR 52.216-5)

B.7.1 Applicability

FAR 52.216-5 applies only to contracts awarded using Schedule B-1. Only the operations and maintenance and renewals and replacements portion of the Fixed Monthly Charge are eligible for redetermination through B.7.

B.7.2 FAR 52.216-5: Price Redetermination – Prospective (Oct 1997)

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

- (1) The prices for supplies delivered and services performed before the first effective date of price redetermination (see paragraph (c) of this clause) shall remain fixed; and
- (2) In no event shall the total amount paid under this contract exceed any ceiling price included in the contract.

(b) *Definition.* "Costs," as used in this clause, means allowable costs in accordance with Part 31 of the Federal Acquisition Regulation (FAR) in effect on the date of this contract.

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

(d) *Data submission.*

- (1) Not more than **90 days** nor less than 60 days before the end of each redetermination period, except the last, the Contractor shall submit --
- (i) Proposed prices for supplies that may be delivered or services that may be performed in the next succeeding period, and --
 - (A) An estimate and breakdown of the costs of these supplies or services in the format of Table 15-2, FAR 15.408, or in any other form on which the parties may agree;
 - (B) Sufficient data to support the accuracy and reliability of this estimate; and
 - (C) An explanation of the differences between this estimate and the original (or last preceding) estimate for the same supplies or services; and
 - (ii) A statement of all costs incurred in performing this contract through the end of the first month before the submission of proposed prices in the format of Table 15-2, FAR 15.408 (or in any other form on which the parties may agree), with sufficient supporting data to disclose unit costs and cost trends for --
 - (A) Supplies delivered and services performed; and
 - (B) Inventories of work in process and undelivered contract supplies on hand (estimated to the extent necessary).
- (2) The Contractor shall also submit, to the extent that it becomes available before negotiations on redetermined prices are concluded --
- (i) Supplemental statements of costs incurred after the date stated in subdivision (d)(1)(ii) of this section for --
 - (A) Supplies delivered and services performed; and
 - (B) Inventories of work in process and undelivered contract supplies on hand (estimated to the extent necessary); and
 - (ii) Any other relevant data that the Contracting Officer may reasonably require.
- (3) If the Contractor fails to submit the data required by subparagraphs (d)(1) and (2) of this section, within the time specified, the Contracting Officer may suspend payments under this contract until the data are furnished. If it is later determined that the Government has overpaid the Contractor, the Contractor shall repay the excess to the Government immediately. Unless repaid within 30 days after the end of the data submittal period, the amount of the excess shall bear interest, computed from the date the data were due to the date of repayment, at the rate established in accordance with the Interest clause.
- (e) *Price redetermination.* Upon the Contracting Officer's receipt of the data required by paragraph (d) of this section, the Contracting Officer and the Contractor shall promptly negotiate to redetermine fair and reasonable prices for supplies that may be delivered or services that may be performed in the period following the effective date of price redetermination.
- (f) *Contract modifications.* Each negotiated redetermination of prices shall be evidenced by a modification to this contract, signed by the Contractor and the Contracting Officer, stating the redetermined prices that apply during the redetermination period.
- (g) *Adjusting billing prices.* Pending execution of the contract modification (see paragraph (f) of this section), the Contractor shall submit invoices or vouchers in accordance with the billing prices stated in this contract. If at any time it appears that the then-current billing prices will be substantially greater than the estimated final prices, or if the Contractor submits data showing that the redetermined price will be substantially greater than the current billing prices, the parties shall negotiate an appropriate decrease or increase in billing prices. Any billing price adjustment shall be reflected in a contract modification and shall not affect the redetermination of prices under this clause. After the contract modification for price redetermination is executed, the total amount paid or to be paid on all invoices or vouchers shall be adjusted to reflect the agreed-upon prices, and any requested additional payments, refunds, or credits shall be made promptly.
- (h) *Quarterly limitation on payments statement.* This paragraph (h) applies only during periods for which firm prices have not been established.

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

- (i) The total contract price of all supplies delivered (or services performed) and accepted by the Government and for which final prices have been established;
- (ii) The total costs (estimated to the extent necessary) reasonably incurred for, and properly allocable solely to, the supplies delivered (or services performed) and accepted by the Government and for which final prices have not been established;
- (iii) The portion of the total interim profit (used in establishing the initial contract price or agreed to for the purpose of this paragraph (h)) that is in direct proportion to the supplies delivered (or services performed) and accepted by the Government and for which final prices have not been established; and
- (iv) The total amount of all invoices or vouchers for supplies delivered (or services performed) and accepted by the Government (including amounts applied or to be applied to liquidate progress payments).

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

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

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

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

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

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

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

SECTION C

Description/Specifications/Work Statement

C.1 Precedence

FAR clause 52.215-8, *Order of Precedence - Uniform Contract Format*. 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. (d) Other documents, exhibits, and attachments. (e) The specifications.

C.2 Scope and Purpose

C.2.1 General

The Government is conveying the utility system identified in this request for proposals. Concurrent with the conveyance of the utility system the Government will acquire the following utility service: wastewater collection to replace the service currently provided by the Government. The Government is requesting proposals for the purchase of the Wastewater utility system located on Fort Knox and the provision of the identified utility services. The conveyance of the utility system and the acquisition of utility services are both subject to the terms and conditions of this request for proposals. The Contractor shall furnish all necessary labor, management, supervision, permits, equipment, supplies, materials, transportation, and any other incidental services required for the complete ownership, operation, maintenance, repair, upgrade, and improvement of these utility systems. The Contractor will provide these services in accordance with all terms, conditions, and special contract requirements, specifications, attachments, and drawings contained in this solicitation or incorporated by reference. This contract does not include the purchase of commodities.

C.2.2 Statutory Directive

The conveyance of the utility system is authorized by and conducted under 10 USC § 2688. The conveyance of the utility system is not an acquisition and therefore is not subject to the FAR and its supplements. The acquisition of utility services is an acquisition and will be governed by the FAR and its supplements.

C.2.3 Program Goal

The desired goal of this conveyance is to transfer all right, title, and interest of the United States in and to the wastewater systems on Fort Knox. The conveyance will be documented by the Easement, see example Attachment J42 to this RFP. The utility system being sold includes all equipment, fixtures, structures, and other improvements utilized in connection with the utility system, which will be more specifically described in the Easement. The divestiture will not include the real property upon, under, or around the utility system. The utility system being sold is as identified in the Easement and does not include any other property.

C.2.4 Notices and Reservations

C.2.4.1 The Government will only acquire utility services if it conveys the related utility system(s). The Government can only convey the utility system(s) if it determines that (1) the long-term economic benefit of the conveyance to the United States exceeds the long-term economic cost of the conveyance to the United States, and (2) the conveyance will reduce the long-term costs of the United States for utility services provided by the utility system concerned. Award, if at all, will only be made by the duly authorized execution of the Easement and the utility service contract.

C.2.4.2 The Government reserves the right to make no award to any Offeror.

C.2.5 Selection of a Contractor

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

C.2.6 Utility Service Providers

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

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

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

C.2.7 Utility Systems

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

C.2.7.1 Systems

TABLE C.2.7-1
Utility-Specific Attachments

RFP Attachment	Base	Utility System
J32	Fort Knox, Kentucky	Wastewater Collection System

C.2.8 Current Service Arrangement

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

C.3 Requirement

C.3.1 Utility Service Requirement

The Contractor shall provide reliable and dependable utility service to each Government or tenant connection within the service area (see C.4, *Service Area*) 24 hours each and every day. The Contractor shall be responsible for providing capital investments and all other resources required to own, maintain, and operate its utility system(s) in a safe and reliable condition and to meet all the requirements listed herein.

This contract does not include the purchase of commodities.

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

C.3.2 Performance Standards

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

The Contractor shall comply with all applicable Federal, state and local laws/regulations and installation specific requirements, as defined in the utility-specific attachments (Section J), in performing its duties under the contract(s). The Contractor shall identify and incorporate standards and specifications not established by this statement of work in the Operations and Maintenance Plan, Section C.12, *Operations and Maintenance*. The Contractor shall modify its service practices as applicable when applicable Federal, state, or local laws/regulations are changed or new ones are enacted.

C.3.3 Metering

The Contractor shall be responsible for reading, maintaining, and calibrating all meters on the utility system(s), including those additional meters identified in the utility-specific attachments (Section J) to be installed by the Contractor. Those additional meters shall be installed within the

transition period defined in paragraph C.13, *Operational Transition Plan*. The Government will identify in Section J any meters on the systems that the Contractor will not be required to read, maintain and calibrate.

All costs for providing, installing, reading, reporting, and maintaining the meters shall be the responsibility of the Contractor. Calibration of meters shall be in accordance with the manufacturer's recommendations and any applicable regulations that govern meter calibration.

Readings from each meter will be provided to the Government on a monthly basis. Meter reading reports shall be submitted to the recipient identified in the utility-specific attachments (Section J).

C.3.3.1 Future Meters

The Contractor shall provide, install, read, maintain, and calibrate meters requested by the Government for any purpose throughout the contract period. Installation of and responsibility for future meters (not on the system at the time of conveyance or identified for installation as part of the service contract) may constitute reasonable cause for a service charge adjustment. Any service charge adjustment as a result of these actions will be in accordance with FAR 52.243-1 Alt I, *Changes - Fixed Price*.

C.3.4 Energy and Water Efficiency and Conservation

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

The Contractor agrees to use its best efforts to ensure that the Contractor's actions will not negatively impact these projects. Additionally, the Government reserves the right to enter into any future energy- and water-savings projects with the goal of reducing Government costs. The Contractor will facilitate the implementation of any such future energy- and water-savings projects.

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

C.3.5 Energy/Water Commodity Supply

Electric, natural gas, and water commodity supply is not included in this contract. The Government retains the right to procure or supply electricity, and/or natural gas, and/or water that will be transported on the system(s) covered by this contract from any lawful source. The successful Contractor(s) may or may not be the supplier(s) of the commodity procured by the Government. The Government or Government Commodity Contractor will retain ownership of all commodities transported and distributed through the Contractor-owned systems. The Contractor shall, however, own wastewater from the point of demarcation, defined in the Easement, until final discharge.

C.4 Service Area

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

C.4.1 Temporary Connections

The Contractor shall extend temporary service to the Government or other contractors performing construction projects or other work on the Installation when requested by the Administrative Contracting Officer.

The Administrative Contracting Officer will identify the party responsible for reimbursing the Contractor for temporary connections or utility usage. The Administrative Contracting Officer shall be provided the following information regarding any temporary service connections:

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

C.4.2 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.

C.4.3 Joint Use

C.4.3.1 Government Use:

The Government may have property and equipment installed on or attached to poles, conduits, pipes, ductbanks, towers, buildings and other portions of the utility systems to be transferred. The Government reserves the right to continue to use the property to be transferred for this purpose, to enter on the transferred property to maintain, repair, operate, upgrade and replace its property and equipment, and to install new property and equipment, all at no cost to itself.

C.4.3.2 Commercial Use:

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. The contractor shall permit joint use by other commercial service providers at no cost until the Government's current agreements with such providers expire.

C.5 Utility System Ownership, Employees, and Security

C.5.1 Utility System Ownership

C.5.1.1 Transfer of Title

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

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

C.5.1.2 Tools, Vehicles, and Equipment

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

C.5.1.3 Placement of Utility System

The Contractor shall comply with requests from the Installation regarding the placement of new or renewal utility systems either overhead or underground. Requests for placement, which differ from normal utility practice, may be compensable under FAR 52.243-1 Alt I, *Changes - Fixed Price*.

C.5.1.4 Contractor Facilities

Unless otherwise provided for in this contract, the Contractor will be permitted to locate offices, maintenance shops, and materials storage/staging areas on post, on property provided by the Government. The Contractor, at its expense, shall acquire, furnish, install, and operate and maintain all these facilities if required to provide the utility service(s) hereunder. The Contractor shall have title to all facilities it builds and equipment it installs under this contract, except as otherwise specifically provided.

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

New construction or remodeling existing facilities shall comply with the Installation's architectural standards and be fully coordinated with the installation prior to beginning construction.

C.5.1.5 Record Drawings

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

six (6) months following system transfer and annually thereafter in both hard copy (full size) and electronic media formats.

C.5.1.6 Disposition of Removed or Salvaged Materials

The removal and disposition of facilities and materials that are not used and useful for the purpose of providing utility service(s) shall be the responsibility of the Contractor. The Contractor shall notify the Administrative Contracting Officer when removing hazardous substances in accordance with paragraph H.7, *Hazardous Substances*.

C.5.2 Employees

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

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

C.5.2.1 Personnel Appearance and Identification

The Contractor's personnel shall present a neat appearance and be readily recognized as Contractor employees.

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

C.5.2.2 Employee Certification

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

C.5.2.3 National Agency Check

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

C.5.2.4 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.

C.5.3 Contractor Vehicles

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

C.5.4 Contractor Radios

Prior to operating two-way, portable, or landmobile devices on the installation, the Contractor shall obtain approval of the Installation Communication Group by requesting an available clear frequency. The Contractor shall follow all installation procedures for operating radios on the installation IAW DFARS 252.235-7003, *Frequency Authorization*.

C.6 Access to the Utility System

Access to the installation and the utility system shall be in accordance with the Easement. An example of the Easement to be used for each system is included as Section J (Easement, Attachment J42).

C.7 Response to Service Interruptions and Contingencies

The Contractor shall employ sound utility practices to ensure continuous, dependable, and reliable utility service is provided to the Installation 24 hours each day and to minimize the scope and length of any service disruption. The Contractor shall ensure it is able to receive the Installation's Service Requests 24 hours a day, every day. Once a request is received, the Contractor shall respond in accordance with their Service Interruption/Contingency Plan. The Contractor shall establish and adhere to standards for responding to service requests and service interruptions. The standards shall distinguish between different categories (routine, emergency) of service requests and service interruptions and, identify response times for each category. In the event that installation specific minimum standards and/or response times are established in Section J, the contractor shall meet or exceed said standards. The Contractor shall incorporate the Standards and operational plans for meeting the standards in a Service Interruption/Contingency Plan. The Service Interruption/Contingency Plan will be incorporated in the contract at time of award.

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

C.8 Repair Response Notification Procedures

The Contractor shall provide to the Government clearly defined procedures by which installation personnel can submit service requests to the Contractor. The Government will be responsible for disseminating such procedures within the Installation. The Contractor shall provide to the Administrative Contracting Officer the name of the local Project Manager or other responsible person and an alternate with after-hours contacts' telephone numbers.

C.9 Coordination of Work

C.9.1 Routine Work

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

C.9.2 Service Requests

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

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

Emergency service requests submitted to the Contractor, or emergencies identified by the Contractor, shall be reported immediately to the Contracting Officer's Representative.

C.9.3 Connections and Disconnections

The Contractor shall coordinate any connections or disconnections with the Contracting Officer's Representative.

C.9.4 Scheduled Utility Service Interruptions

The Installation reserves the right to require the Contractor to postpone work requiring service interruption if such interruption might adversely affect the Installation's missions and operations. If an interruption is postponed, the parties shall coordinate a mutually acceptable alternate time for the scheduled service interruption.

C.9.5 Excavation Permits

The Contractor shall adhere to the Installation's excavation permit process.

C.9.6 Underground Utility Location

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

C.9.7 Coordination Meetings

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

C.9.8 Exercises and Crisis Situations Requiring Utility Support

The Contractor shall respond to installation emergency and crisis situations (i.e., hostage situations, bomb threats, etc.) and related exercises that require utility support. The Contractor shall respond to these events as soon as possible after notification. The Contractor shall advise and assist the on-scene commander until the event is terminated.

C.10 Environmental Compliance

The Contractor shall comply with all applicable environmental laws and regulations. The Contractor shall review all applicable Installation procedures related to environmental protection including, but not limited to, pollution prevention, and spill responses. The Contractor shall either accept the Installation procedures or propose alternative procedures, for Government acceptance, to be evaluated by the Government prior to performing work. If the procedures are found to be acceptable they will be incorporated into the contract.

C.10.1 Permit Compliance

Once ownership of the utility system is transferred, the Contractor shall be the party of record for all environmental permits related to operating the system. Thereafter, the Contractor shall be responsible for obtaining any new or revised permits needed to operate and maintain the utility system. The Government shall remain the party of record and retain responsibility for any applicable permits prior to the transfer of ownership, as defined by paragraph C.13, *Operational Transition Plan*, and for those permits that are not transferable.

C.10.2 Work in Environmentally Sensitive Areas

The Contractor shall comply with the 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 Contracting Officer's Representative and cognizant environmental representative for the site. The Government will provide the Contractor with updated lists showing environmentally sensitive sites and points of contact.

C.10.3 Environmental Impact Assessments

Modification of the utility system may require an environmental impact assessment in accordance with environmental impact analysis process applicable to the installation. The Contractor shall be responsible for conducting this assessment and providing a copy to the Contracting Officers Representative.

C.11 Upgrades and Renewals and Replacements

C.11.1 General

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

C.11.2 Capital Upgrades and Renewals and Replacement

C.11.2.1 Initial Capital Upgrades

Initial Capital Upgrades consist of those repair, replacement, and improvement activities of the Contractor required to bring the utility system, as purchased, up to legally applicable regulatory standards or the standards typically maintained by the Contractor on its utility systems so that subsequent renewals and replacements will permit the long-term safe and reliable operation of the utility system. All initial capital upgrades shall be listed in the first submittal of the Capital Upgrades and Renewals and Replacements Plan, as part of the offer.

C.11.2.2 Future Capital Upgrades

Future Capital Upgrades are investments in the utility system resulting from changes in the requirements, laws or regulations. Capital upgrades may also include the implementation of new technologies.

C.11.2.3 Renewals and Replacements

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

C.11.2.4 Annual Capital Upgrades and Renewals and Replacements Plan

The Contractor shall prepare and submit an Annual Capital Upgrades and Renewals and Replacements Plan that identifies capital upgrades and major renewals and replacements the Contractor intends to accomplish. The Annual Capital Upgrades and Renewals and Replacement Plan shall contain a proposed upgrade list for each of the next 5 years. The plan shall be structured as follows:

- ?? Year 1 shall include detailed upgrade information including site plans, cost estimates, upgrade schedules, an analysis of the impact of construction on installation operations and the environment, and address safety requirements.
- ?? Years 2-5 shall include upgrade lists with upgrade descriptions, order-of-magnitude estimates, and proposed site plans.
- ?? The initial Capital Upgrade and Renewals and Replacements Plan included in the proposal shall describe initial capital upgrades and initial renewals and replacements in the same detail as required for Year 1.

For offerors submitting price proposals using Schedule B-2, future capital upgrades shall be included in the Applicable Tariff rates. Accordingly, the above cost estimate information is only applicable to initial capital upgrades.

The Administrative Contracting Officer will advise the Contractor of installation development plans with the potential to impact system requirements.

The first Annual Capital Upgrades and Renewals and Replacements Plan shall be submitted no later than May 31 of the first full fiscal year following contract award. Thereafter the plan shall be submitted no later than May 31 of each year. The Plan shall be submitted to the Administrative Contracting Officer.

C.11.2.5 Capital Upgrades

The Contractor may propose upgrades in the Annual Capital Upgrade and Renewal and Replacement Plan. The Government reserves the right to determine at its discretion, whether it will pay for any portion of proposed upgrades. Capital Upgrades required to meet legally applicable regulatory requirements that have changed during the contract term will be paid subject to the availability of funds. Approved Capital upgrades and improvements identified in the Capital Upgrades and Renewals and Replacements Plan will be paid, in accordance with Paragraphs H.9, *Accounting for Capital Upgrades/Purchase Price*, and B.5.2, *Service Charges*, or B.6.2, *Service Charges for Alternate Price Proposals*, when accomplished. The Government reserves the right to pay for any capital upgrade as a lump-sum payment rather than by amortizing the capital upgrade costs.

C.11.2.6 Renewals and Replacements

Major renewals and replacements identified in the Capital Upgrades and Renewal and Replacement Plan will be paid in accordance with Schedule L-1 and L-3 and Paragraph B.5.2, *Service Charges*, or B.6.2, *Service Charges for Alternate Price Proposals*.

C.11.2.7 Requirements and Standards

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

C.11.2.8 Connections and Disconnections

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

C.12 Operations and Maintenance

The Contractor shall operate and maintain the system so as to provide reliable, cost-effective, and compliant service over the term of the contract.

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

1. Water distribution and wastewater collection system(s): The most recent edition of reference materials published by the American Water Works Association (AWWA), Water Environment Federation (WEF), American Society of Civil Engineers (ASCE), National Fire Protection Association (NFPA) and Factory Mutual Global.
2. Additional standards for operations and maintenance of the utility system the Offeror proposes.

C.12.1 Quality Management Plan

The contractor shall establish, maintain and adhere to a Quality Management Plan to ensure the provision of reliable, cost-effective and compliant service over the term of the contract.

C.13 Operational Transition Plan

The Contractor shall propose an Operational Transition Plan describing the contractor's plan for the transfer of the utility system from the Government to the contractor. The Operational Transition Plan will be incorporated in the contract at time of award.

The paragraphs below constitute the minimum requirements for the Operational Transition Plan. Installation and utility-specific transition items are listed in the utility-specific attachments (Section J).

C.13.1 Performance Start Date

The contractor shall propose a date on which the Contractor will assume full responsibility for the utility system(s) and for providing utility service(s).

C.13.2 Connection Requirements

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

C.13.3 New Meter Requirements

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

C.13.4 Permits and Procedures

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

C.13.5 Inventory and Transfer Requirements

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

C.13.5.1 Inventory and Transfer of Facilities and Fixed Equipment

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

C.13.5.2 Inventory and Transfer of Non-fixed Equipment, Spare Parts, and Personal Property

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

C.13.5.3 Transfer of Manuals and Records

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

C.13.5.4 Joint Inventory

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

C.13.6 Initial Meter Readings

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

C.13.7 Authorized Personnel and Points of Contact

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

SECTION D

Packaging and Marking

None

SECTION E

Inspection and Acceptance

The following FAR Clause is Incorporated by Reference:

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

IAW FAR 46.304

SECTION F**Deliveries or Performance**

F.1 Contract Term

The Contractor(s) agrees to furnish, and the Government agrees to purchase, utility distribution services, in accordance with the terms and conditions of this solicitation, for a period of 50 years commencing with the performance start date.

F.2 Commencement of Service

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

F.3 Extension of Contract Performance Period

The contract performance period may be extended on a month-to-month basis for up to 6 months on the same terms and conditions upon the mutual agreement of the parties.

F.4 Clauses Incorporated by Reference

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

SECTION G

Contract Administration Data

G.1 DFARS 252.201-7000: Contracting Officer's Representative (Dec 1991)

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

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

G.2 Submission and Payment of Invoices

The Government will pay the Contractor for utility service through a Monthly Service Charge. Subject to the provisions set forth in Section B, utility services will be billed according to the Sub-CLIN items in schedule B-1 or schedule B-2 on a monthly basis.

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

G.3 Service Charge Adjustment

G.3.1 Schedule B-1

At the request of either party to this contract, and with reasonable cause, the Fixed Monthly charge (Sub-CLIN AA) may be re-negotiated in accordance with Paragraph B.7, *Type of Contract – Price Redetermination—Prospective*. Only the operations and maintenance and renewals and replacements portion of the Fixed Monthly Charge are eligible for redetermination through B.7. However, in accordance with Paragraph B.7, neither party shall request a change to these service charges to become effective sooner than 2 years from the date of award.

If new capital upgrades are required as a result of changed service requirements, the monthly service charge may be re-negotiated, at any time, in accordance with Paragraph H.9, *Accounting for Capital Upgrades/Purchase Price*. 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 considered as a dispute under the Disputes clause of this contract.

G.3.2 Schedule B-2

Changes to regulated tariff rates will be made in accordance with Clause FAR 52.241-7, *Changes in rates or terms and conditions of service for regulated services*.

SECTION H**Special Contract Provisions**

H.1 Mobilization and Other Contingencies

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

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

H.2 Insurance Requirements

Note: It is recommended that the Contractor(s) furnish a copy of the following requirements to its insurance company, in order to assure that an insurance certificate is issued meeting the minimum requirements shown.

H.2.1 Insurance Certificate

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

H.2.2 Types of Insurance

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

H.2.2.1 General Liability

Comprehensive general liability insurance on an "occurrence basis" against claims for "personal injury" including, without limitation, bodily injury, death, or property damage. Such insurance is to afford immediate protection at all times during the term of this contract. The insurance will include limits of liability in amounts approved by the Government, but not less than \$1 million in the event of bodily injury or death to any one or more persons in one accident and, not less than \$500,000 for property damage.

H.2.2.2 Automobile Liability

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

H.2.2.3 Workers' Compensation and Employer's Liability

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

H.2.3 General

All policies of insurance which this contract requires the Contractor to carry and maintain, or cause to be carried or maintained, pursuant to this contract shall be effected under valid and enforceable policies, in such forms and amounts as may, from time to time, be required under this contract, issued by insurers of recognized responsibility. All such policies of insurance shall be for the mutual benefit of Government and Contractor.

Each such policy shall provide that any losses shall be payable notwithstanding any act or failure to act or negligence of Contractor or Government or any other person; provide that no cancellation, reduction in amount, or material change in coverage thereof shall be effective until at least sixty (60) days after receipt by Government of written notice thereof; provide that the insurer shall have no right of subrogation against Government; and be reasonably satisfactory to Government in all other respects.

Under no circumstances will Contractor be entitled to assign to any third party rights of action which the Contractor may have against the Government. The foregoing notwithstanding, any cancellation of insurance coverage based on nonpayment of the premium shall be effective upon ten (10) days' written notice to the Government. The Contractor understands and agrees that cancellation of any insurance coverage required to be carried and maintained by the Contractor under this contract will constitute a failure to comply with the terms of this contract.

H.3 Catastrophic Loss

The Contractor(s) shall propose how it plans to protect itself from a catastrophic loss (for example, an earthquake) and/or personal injury due to negligence. If the Contractor(s) has catastrophic insurance, the Contractor(s) shall provide a copy of the coverage to the Administrative Contracting Officer.

H.4 Availability of Funds

Unless otherwise authorized by Public Law or Federal Regulation, nothing contained herein shall be construed as binding the Government to expend in any one fiscal year in furtherance of the matter of the contract or to involve the Government in an obligation for the future expenditure of monies before an appropriation is made (Anti-Deficiency Act, 31 U.S.C. 1341.A.1).

H.5 Notification

The Contractor shall provide 120 day written notice prior to any resale, transfer, or encumbrance of the system or any components thereof.

H.6 Foreign Object Damage Prevention Program

Installation specific.

At Installations that conduct flight operations, all Contractor work in and around any flightline areas must comply with the base's applicable Foreign Object Damage Prevention Program.

Prior to starting work in such areas, the Contractor shall contact the assigned COR for scheduling of Contractor personnel for required training.

H.7 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.

H.8 Contribution in Aid of Construction (CIAC) Tax Liability

The parties hereby recognize that a purchase by the Contractor of Government utility systems at less than fair market value may be treated as a CIAC and therefore taxable income to the Contractor. As a result, the Contractor may incur an associated income tax liability. Any such liability will be the Contractor's responsibility and shall not be the basis for any claim against the Government.

H.9 Accounting for Capital Upgrades/Purchase Price

H.9.1 Initial Capital Upgrades (reference Paragraph C.11, *Upgrades and Renewals and Replacements*)

The price of each initial capital upgrade proposed by the offeror in Schedule L-3 of the Price Proposal will be added to the Fixed Monthly Charge, for the number of months indicated, when the upgrade is put in useful service. The Fixed Monthly Charge is the monthly service charge for the relevant utility system (the utility system of which the upgrade is a part) stated in Schedule B-1.

The price for each initial capital upgrade is fixed and is not subject to renegotiation under Paragraph B.7, *Type of Contract – Price Redetermination—Prospective*. The price for each upgrade will be amortized over the term proposed by the offeror in Schedule L-3 of the Price Proposal. With every monthly invoice that includes a request for payment for a capital upgrade identified in Schedule L-3, the Contractor shall submit an amortization schedule. The amortization schedule shall specify for each upgrade the additional monthly payment to be included in the Fixed Monthly Charge, the number of the payment (of the total payments required), and the remaining principal.

For offers using Schedule B-2, the upgrades will be paid in accordance with the method proposed by the offeror and accepted by the Government.

H.9.2 Future Capital Upgrades (reference Paragraph C.11, *Upgrades and Renewals and Replacements*)

Future capital upgrades for which the Government agrees to pay in accordance with Paragraph C.11, *Upgrades and Renewals and Replacements*, will be added to the Fixed Monthly Charge for the number of months agreed upon when the upgrade is put in useful service. With every monthly invoice that includes a request for payment for such an upgrade, the contractor will include an amortization schedule. The amortization schedule shall specify for each upgrade the additional monthly payment included in the Fixed Monthly Charge, the number of the payment (of the total payments required), and the remaining principal. For offers using Schedule B-2, the upgrades will be paid in accordance with the method proposed by the offeror and accepted by the Government.

H.9.3 Recoverable Portion of the Purchase Price

The recoverable portion of the utility system purchase price will be added to the Fixed Monthly Charge or the Monthly Service Charge for the relevant utility system. The recoverable portion of the purchase price will be recovered in accordance with the amount and number of months proposed by the Offeror in Paragraph L.7.5 Section 2, *Schedule B-1 - Cost Proposal and Pricing Assumptions* or Paragraph L.7.5 Section 3, *Schedule B-2 - Cost Proposal and Pricing Assumptions*.

SECTION I

Contract Clauses

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

(IAW FAR 52.107(b))

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

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

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

I.2 FAR Clauses Incorporated by Reference

FAR Paragraph	Clause Title	Date
52.202-1	Definitions (IAW FAR 2.201)	May 2001
52.203-3	Gratuities (IAW FAR 3.202)	Apr 1984
52.203-5	Covenant against Contingent Fees (IAW FAR 3.404)	Apr 1984
52.203-6	Restrictions on Subcontractor Sales to the Government (IAW FAR 3.503-2)	Jul 1995
52.203-7	Anti-Kickback Procedures (IAW FAR 3.502-3)	Jul 1995
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity (IAW FAR 3.104-9[a])	Jan 1997
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity (IAW FAR 3.104-9[b])	Jan 1997
52.203-12	Limitation on Payments to Influence Certain Federal Transactions (IAW FAR 3.808[b])	Jun 1997
52.204-4	Printing/Copying Double-Sided on Recycled Paper (IAW FAR 4.304)	Aug 2000
52.207-3	Right of First Refusal of Employment (IAW FAR 7.305[c])	Nov 1991
52.209-6	Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (IAW FAR 9.409[b])	Jul 1995

FAR Paragraph	Clause Title	Date
52.215-2	Audit and Records - - Negotiations (IAW FAR 15.209 [b])	Jun 1999
52.215-8	Order of Precedence – Uniform Contract Format (IAW FAR 15.209[h])	Oct 1997
52.215-11	Price Reduction for Defective Cost or Pricing Data—Modifications (IAW FAR 15.408[c])	Oct 1997
52.215-13	Subcontractor Cost or Pricing Data—Modifications (IAW FAR 15.408[e])	Oct 1997
52.215-21	Requirement for Cost or Pricing Data or Information other than Cost or Pricing (IAW FAR 15.408[m])	Oct 1997
52.219-4	Notice of Price Evaluation for Hubzone Small Business Concerns (IAW FAR 19.1308[b])	Jan 1999
52.219-8	Utilization of Small Business Concerns (IAW FAR 19.708[a])	Oct 2000
52.219-9	Small Business Subcontracting Plan – Alt II (IAW FAR 19.708[b][1])	Oct 2000 Oct 2000
52.219-16	Liquidated Damages—Subcontracting Plan (IAW FAR 19.708[b][2])	Jan 1999
52.219-25	Small Disadvantaged Business participation Program-Disadvantaged Status and Reporting (IAW FAR 19.1204(b))	Oct 1999
52.222-1	Notice to the Government of Labor Disputes (IAW FAR 22.101-1[e] and 22.103-5[a])	Feb 1997
52.222-3	Convict Labor (IAW FAR 22.202)	Aug 1996
52.222-4	Contract Work Hours and Safety Standards Act - - Overtime Compensation (IAW FAR 22.305)	Sep 2000
52.222-21	Prohibition of Segregated Facilities (IAW FAR 22.810[a][1])	Feb 1999
52.222-26	Equal Opportunity (IAW FAR 22.810[e])	Feb 1999
52.222-35	Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (IAW FAR 22.1308[a][1] and DFARS 22.1308[a][1])	Apr 1998
52.222-36	Affirmative Action for Workers with Disabilities (IAW FAR 22.1408[a])	Jun 1998
52.222-37	Employment Reports on Disabled Veterans and Veterans of the Vietnam Era (IAW FAR 22.1308[b])	Jan 1999
52.223-5	Pollution Prevention and Right-to-Know Information (IAW FAR 23.1005)	Apr 1998
52.223-6	Drug-Free Workplace (IAW FAR 23.505)	May 2001

FAR Paragraph	Clause Title	Date
52.223-12	Refrigeration Equipment And Air Conditioners (IAW FAR 23.804[b])	May 1995
52.223-14	Toxic Chemical Release Reporting (IAW FAR 23.907[b])	Oct 2000
52.226-1	Utilization of Indian Organizations and Indian-Owned Economic Enterprises (IAW FAR 26.104[a])	Jun 2000
52.227-1	Use and Authorization (IAW FAR 27.201-2[a])	Jul 1995
52.227-3	Patent Indemnity (IAW FAR 27.203-1(b), 27.203-2(a) or 27.203-4(a)(2))	Apr 1984
52.228-5	Insurance-Work on a Government Installation (IAW FAR 28.310)	Jan 1997
52.229-3	Federal, State, and Local Taxes (IAW FAR 29.401-3)	Jan 1991
52.229-5	Taxes - - Contracts Performed in U.S. - - Possessions or Puerto Rico (IAW FAR 29.401-5)	Apr 1984
52.232-1	Payments (IAW FAR 32.111[a][1])	Apr 1984
52.232-8	Discounts for Prompt Payment (IAW FAR 32.111[c][1])	May 1997
52.232-11	Extras (IAW FAR 32.111[d][2])	Apr 1984
52.232-17	Interest (IAW FAR 32.617[a] and 32.617[b])	Jun 1996
52.232-18	Availability of Funds (IAW FAR 32.705-1[a])	Apr 1984
52.232-23	Assignment of Claims (IAW FAR 32.806[a][1])	Jan 1986
52.232-25	Prompt Payment (IAW FAR 32.908[c])	May 2001
52.232-33	Payment by Electronic Funds Transfer --Central Contractor Registration (IAW FAR 32.1110[A][1])	May 1999
52.233-1	Disputes – Alt I (IAW FAR 33.215)	Dec 1998 Dec 1991
52.233-3	Protest after Award (IAW FAR 33.106[b])	Aug 1996
52.237-2	Protection of Government Buildings, Equipment, and Vegetation (IAW FAR 37.110[b])	Apr 1984

FAR Paragraph	Clause Title	Date
52.237-3	Continuity of Services (IAW FAR 37.110[c])	Jan 1991
52.242-1	Notice of Intent to Disallow Costs (IAW FAR 42.802)	Apr 1984
52.242-13	Bankruptcy (IAW FAR 42.903)	Jul 1995
52.243-1	Changes – Fixed-Price – Alt I (IAW FAR 43.205[a][1] & [2])	Aug 1987 Apr 1984
52.249-2	Termination for Convenience of the Government (Fixed Price) (IAW FAR 49.502[b][1][i])	Sep 1996
52.249-8	Default (Fixed Price Supply and Service) (IAW FAR 49.504[a][1])	Apr 1984
52.252-6	Authorized Deviations in Clauses (IAW FAR 52.107[f])	Apr 1984

I.3 DFARS Clauses Incorporated by Reference

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

The following DFAR clauses are incorporated by reference:

DFARS Paragraph	Clause Title	Date
252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies (IAW DFARS 203.570-5)	Mar 1999
252.203-7002	Display of DoD Hotline Poster (IAW DFARS 203.7002)	Dec 1991
252.204-7000	Disclosure of Information (IAW DFARS 204.404-70[a])	Dec 1991
252.204-7003	Control of Government Personnel Work Product (IAW DFARS 204.404-70[b])	Apr 1992
252.204-7004	Required Central Contractor Registration (IAW DFARS 252.204-7304)	Mar 2000
252.205-7000	Provision of Information to Cooperative Agreement Holders (IAW DFARS 205.470-2)	Dec 1991
252.209-7000	Acquisition from Subcontractors Subject to Onsite Inspection under the Intermediate-Range Nuclear Forces (INF) Treaty (IAW DFARS 209.103-70)	Nov 1995

DFARS Paragraph	Clause Title	Date
252.209-7001	Disclosure of Ownership or Control by the Government of a Terrorist Country (IAW DFARS 209.104-70[a])	Mar 1998
252.209-7003	Compliance with Veterans' Employment Reporting Requirements (IAW DFARS 209.104-70[c])	Mar 1998
252.209-7004	Subcontracting with Firms that Are Owned or Controlled by the Government of a Terrorist Country (IAW DFARS 209.409)	Mar 1998
252.215-7000	Pricing Adjustments (IAW DFARS 215.408[1])	Dec 1991
252.219-7003	Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (DoD Contracts) (IAW DFARS 219.708[B][1][a])	Apr 1996
252.223-7004	Drug-Free Work Force (IAW DFARS 223.570-4[a])	Sep 1988
252.223-7006	Prohibition on Storage and Disposal of Toxic and Hazardous Materials (IAW DFARS 223.7103[a])	Apr 1993
252.225-7031	Secondary Arab Boycott of Israel (IAW DFARS 225.770-5)	Jun 1992
252.231-7000	Supplemental Cost Principals (IAW DFARS 231.100-70)	Dec 1991
252.235-7003	Frequency Authorization (IAW DFARS 235.071[b])	Dec 1991
252.236-7005	Airfield Safety Precautions (IAW DFARS 236.570[b][3])	Dec 1991
252.241-7001	Government Access (IAW DFARS 241.501-70[b])	Dec 1991
252.242-7000	Post-award Conference (IAW DFARS 242.570)	Dec 1991
252.243-7001	Pricing of Contract Modifications (IAW DFARS 243.205-71)	Dec 1991
252.243-7002	Requests for Equitable Adjustment (IAW DFARS 243.205-72)	Mar 1998
252.247-7023	Transportation of Supplies by Sea (IAW DFARS 247.573[b])	Mar 2000

I.4 Clauses not applicable to Entities Submitting Prices Set by Law or Regulation (Incorporated by Reference)

Paragraph	Clause Title	Date
52.222-41	Service Contract Act of 1965, as amended (IAW 22.1006[a])	May 1989
52.222-44	Fair Labor Standards Act and Service Contract Act – Price Adjustment (Multiple Year and Option Contracts) (IAW 22.1006[c][2])	May 1989
52.230-2	Cost Accounting Standards (IAW FAR 30.201-4[a])	Apr 1998
52.230-6	Administration of Cost Accounting Standards (IAW FAR 30.201-4[d])	Nov 1999

I.5 Clauses Applicable to Entities Submitting Prices Set by Law or Regulation

52.241-4 Change in Class of Service (Feb 1995)

(a) In the event of a change in the class of service, such service shall be provided at the Contractor's lowest available rate schedule applicable to the class of service furnished.

(b) Where the Contractor does not have on file with the regulatory body approved rate schedules applicable to services provided, no clause in this contract shall preclude the parties from negotiating a rate schedule applicable to the class of service furnished.

(End of Clause)

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 *_____ 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)

52.241-12 Nonrefundable, Nonrecurring Service Charge. (Feb 1995)

As provided herein, the Government will pay a nonrefundable, nonrecurring charge when the rules and regulations of a Contractor require that a customer pay (1) a charge for the initiation of service, (2) a contribution in aid of construction, or (3) a nonrefundable membership fee. This charge may be in addition to or in lieu of a connection charge. Therefore, there is hereby added to the Contractor's schedule a nonrefundable, nonrecurring charge for _____ in the amount of \$_____ dollars payable [specify dates or schedules].

(End of clause)

I.6 Other Clauses

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

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

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

EMPLOYEE CLASS	MONETARY WAGE - FRINGE BENEFITS
-----------------------	--

See Attachment J41 – Federal Equivalents _____

FAR 52.244-6: Subcontracts for Commercial Items (May 2001)

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

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

The following clauses shall be flowed down to subcontracts for commercial items:

- ?? 52.219-8, Utilization of Small Business Concerns (15 U.S.C. 637(d)(2) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds \$500,000 (\$1,000,000 for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.
- ?? 52.222-26: Equal Opportunity (EO 11246)
- ?? 52.222-35: Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (38 USC 4212[a])
- ?? 52.222-36: Affirmative Action for Workers with Disabilities (29 USC 793)
- ?? 52.247-64: Preference for Privately Owned U.S.-Flagged Commercial Vessels (46 USC 1241) (flow down not required for subcontracts awarded beginning May 1, 1996).

While not required, the Contractor may flow down to subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.

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

SECTION J

List of Attachments

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

TABLE J.1-1

Installation- and Utility-Specific Attachments to RFP in the Case of Multiple Contract Awards

RFP Attachment	Installation	Utility System
J32	Fort Knox, Kentucky	Wastewater System

Attachment J40 – Example of a Completed Schedule B-1

Attachment J41 – Federal Equivalents

Attachment J42 – Example Easement

Attachment J43 – Example Bill-of-Sale

Attachment J44 – Wage Determination

Attachment J45 – Legislative Authority

Attachment J46 – Past Performance Questionnaire

Attachment J47 – Example Subcontracting Plan

Attachment J48 – List of Small Business Sources

SECTION K

Representations, Certifications, and other Statements of Offerors

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

(a) The offeror certifies that--

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

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

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

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

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

(2) (i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above

_____ [insert full name of person(s) in the offeror's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the offeror's organization];

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

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

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

(End of provision)

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

- (a) The definitions and prohibitions contained in the clause, at FAR 52.203-12, Limitation on Payments to Influence Certain Federal Transactions, included in this solicitation, are hereby incorporated by reference in paragraph (b) of this certification.
- (b) The offeror, by signing its offer, hereby certifies to the best of his or her knowledge and belief that on or after December 23, 1989 --

(1) No Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement;

(2) If any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with this solicitation, the offeror shall complete and submit, with its offer, OMB standard form LLL, Disclosure of Lobbying Activities, to the Contracting Officer; and

(3) He or she will include the language of this certification in all subcontract awards at any tier and require that all recipients of subcontract awards in excess of \$100,000 shall certify and disclose accordingly.

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

(End of provision)

52.204-3 TAXPAYER IDENTIFICATION (OCT 1998)

- (a) **DEFINITIONS.**

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

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

- (b) All offerors must submit the information required in paragraphs (d) through (f) of this provision to comply with debt collection requirements of 31 U.S.C. 7701(c) and 3325(d), reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M, and implementing regulations issued by the IRS. If the resulting contract is subject to the payment reporting requirements

described in FAR 4.904, the failure or refusal by the offeror to furnish the information may result in a 31 percent reduction of payments otherwise due under the contract.

(c) The TIN may be used by the Government to collect and report on any delinquent amounts arising out of the offeror's relationship with the Government (31 U.S.C. 7701(c)(3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with IRS records to verify the accuracy of the offeror's TIN.

(d) TAXPAYER IDENTIFICATION NUMBER (TIN).

- TIN: _____.
- TIN has been applied for.
- TIN is not required because--
- Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States;
- Offeror is an agency or instrumentality of a foreign government;
- Offeror is an agency or instrumentality of the Federal Government.

(e) TYPE OF ORGANIZATION.

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

(f) COMMON PARENT.

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

(End of provision)

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

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

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

52.209-5 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT, AND OTHER RESPONSIBILITY MATTERS (APR 2001)

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

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

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

(B) Have [] have not [], within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) contract or subcontract; violation of Federal or State antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and

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

(D) Have [] have not [], within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and

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

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

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

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

(b) The offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

(c) A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the offeror's responsibility. Failure of the offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the offeror nonresponsible.

(d) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

(e) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

(End of provision)

52.219-1/I/II SMALL BUSINESS PROGRAM REPRESENTATIONS (MAY 2001)

(a)(1) The North American Industry Classification System (NAICS) code for this acquisition is 221122 Electric Services.

(2) The small business size standard is 4 Million Megawatt Hours.

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

(b) *Representations*. (1) The offeror represents as part of its offer that it

is,

is not

a small business concern.

(2) [*Complete only if the offeror represented itself as a small business concern in paragraph (b)(1) of this provision.*] The offeror represents, for general statistical purposes, that it

is,

is not

a small disadvantaged business concern as defined in 13 CFR 124.1002.

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

is,

is not

a women-owned small business concern.

(4) [Complete only if the offeror represented itself as a small business concern in paragraph (b)(1) of this provision.] The offeror represents as part of its offer that it

[] is,

[] is not

a veteran-owned small business concern.

(5) [Complete only if the offeror represented itself as a veteran-owned small business concern in paragraph (b)(4) of this provision.] The offeror represents as part of its offer that it

[] is,

[] is not

a service-disabled veteran-owned small business concern.

(c) *Definitions.* As used in this provision--

"Service-disabled veteran-owned small business concern"--

(1) Means a small business concern--

(i) Not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and

(ii) The management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

(2) Service-disabled veteran means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16).

"Small business concern" means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR part 121 and the size standard in paragraph (a) of this provision.

"Veteran-owned small business concern" means a small business concern--

(1) Not less than 51 percent of which is owned by one or more veterans (as defined at 38 U.S.C. 101(2)) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and

(2) The management and daily business operations of which are controlled by one or more veterans.

"Women-owned small business concern" means a small business concern--

(1) Which is at least 51 percent owned by one or more women or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and

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

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

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

- (i) Be punished by imposition of fine, imprisonment, or both;
- (ii) Be subject to administrative remedies, including suspension and debarment; and
- (iii) Be ineligible for participation in programs conducted under the authority of the Act.

(6) [Complete only if offeror represented itself as a small business concern in paragraph (b)(1) of this provision.] The offeror represents, as part of its offer, that—

(i) It

- is,
- is not

a HUBZone small business concern listed, on the date of this representation, on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration, and no material change in ownership and control, principal office of ownership, or HUBZone employee percentage has occurred since it was certified by the Small Business Administration in accordance with 13 CFR Part 126; and

(ii) It

- is,
- is not

a joint venture that complies with the requirements of 13 CFR Part 126, and the representation in paragraph (b)(6)(i) of this provision is accurate for the HUBZone small business concern or concerns that are participating in the joint venture. *The offeror shall enter the name or names of the HUBZone small business concern or concerns that are participating in the joint venture:*

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

(7) [Complete if offeror represented itself as disadvantaged in paragraph (b)(2) of this provision.] The offeror shall check the category in which its ownership falls:

- _____ Black American.
- _____ Hispanic American.
- _____ Native American (American Indians, Eskimos, Aleuts, or Native Hawaiians).
- _____ Asian-Pacific American (persons with origins from Burma, Thailand, Malaysia, Indonesia, Singapore, Brunei, Japan, China, Taiwan, Laos, Cambodia (Kampuchea), Vietnam, Korea, The Philippines, U.S. Trust Territory of the Pacific Islands (Republic of Palau), Republic of the

Marshall Islands, Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, Guam, Samoa, Macao, Hong Kong, Fiji, Tonga, Kiribati, Tuvalu, or Nauru).

_____ Subcontinent Asian (Asian-Indian) American (persons with origins from India, Pakistan, Bangladesh, Sri Lanka, Bhutan, the Maldives Islands, or Nepal).

_____ Individual/concern, other than one of the preceding.

(End of provision)

52.219-4 Notice of Price Evaluation Preference for HUBZone Small Business Concerns (Jan 1999)

(a) Definition. "HUBZone small business concern," as used in this clause, means a small business concern that appears on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration.

(b) Evaluation preference. (1) Offers will be evaluated by adding a factor of 10 percent to the price of all offers, except--

___(i) Offers from HUBZone small business concerns that have not waived the evaluation preference;

___(ii) Otherwise successful offers from small business concerns;

___(iii) Otherwise successful offers of eligible products under the Trade Agreements Act when the dollar threshold for application of the Act is exceeded (see 25.402 of the Federal Acquisition Regulation (FAR)); and

___(iv) Otherwise successful offers where application of the factor would be inconsistent with a Memorandum of Understanding or other international agreement with a foreign government.

(2) The factor of 10 percent shall be applied on a line item basis or to any group of items on which award may be made.

Other evaluation factors described in the solicitation shall be applied before application of the factor.

(3) A concern that is both a HUBZone small business concern and a small disadvantaged business concern will receive the benefit of both the HUBZone small business price evaluation preference and the small disadvantaged business price evaluation adjustment (see FAR clause 52.219-23). Each applicable price evaluation preference or adjustment shall be calculated independently against an offeror's base offer. These individual preference amounts shall be added together to arrive at the total evaluated price for that offer.

(c) Waiver of evaluation preference. A HUBZone small business concern may elect to waive the evaluation preference, in which case the factor will be added to its offer for evaluation purposes. The agreements in paragraph (d) of this clause do not apply if the offeror has waived the evaluation preference.

* Offeror elects to waive the evaluation preference.

(d) Agreement. A HUBZone small business concern agrees that in the performance of the contract, in the case of a contract for--

- (1) Services (except construction), at least 50 percent of the cost of personnel for contract performance will be spent for employees of the concern or employees of other HUBZone small business concerns;
- (2) Supplies (other than procurement from a nonmanufacturer of such supplies), at least 50 percent of the cost of manufacturing, excluding the cost of materials, will be performed by the concern or other HUBZone small business concerns;
- (3) General construction, at least 15 percent of the cost of the contract performance incurred for personnel will be will be spent on the concern's employees or the employees of other HUBZone small business concerns; or
- (4) Construction by special trade contractors, at least 25 percent of the cost of the contract performance incurred for personnel will be spent on the concern's employees or the employees of other HUBZone small business concerns.
- (e) A HUBZone joint venture agrees that in the performance of the contract, the applicable percentage specified in paragraph (d) of this clause will be performed by the HUBZone small business participant or participants.
- (f) A HUBZone small business concern nonmanufacturer agrees to furnish in performing this contract only end items manufactured or produced by HUBZone small business manufacturer concerns. This paragraph does not apply in connection with construction or service contracts.

(End of provision)

52.219-22 - Small Disadvantaged Business Status (Oct 20000)

- (a) *General.* This provision is used to assess an offeror's small disadvantaged business status for the purpose of obtaining a benefit on this solicitation. Status as a small business and status as a small disadvantaged business for general statistical purposes is covered by the provision at FAR 52.219-1, Small Business Program Representation.
- (b) *Representations.*
- (1) *General.* The offeror represents, as part of its offer, that it is a small business under the size standard applicable to this acquisition; and either-
- ___(i) It has received certification by the Small Business Administration as a small disadvantaged business concern consistent with 13 CFR 124, Subpart B; and
- (A) No material change in disadvantaged ownership and control has occurred since its certification;
- (B) Where the concern is owned by one or more disadvantaged individuals, the net worth of each individual upon whom the certification is based does not exceed \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); and
- (C) It is identified, on the date of its representation, as a certified small disadvantaged business concern in the database maintained by the Small Business Administration (PRO-Net); or
- ___(ii) It has submitted a completed application to the Small Business Administration or a Private Certifier to be certified as a small disadvantaged business concern in accordance with 13 CFR 124, Subpart B, and a decision on that application is pending, and that no material change in disadvantaged ownership and control has occurred since its application was submitted.

(2) *For Joint Ventures.* The offeror represents, as part of its offer, that it is a joint venture that complies with the requirements at 13 CFR 124.1002(f) and that the representation in paragraph (b)(1) of this provision is accurate for the small disadvantaged business concern that is participating in the joint venture. [*The offeror shall enter the name of the small disadvantaged business concern that is participating in the joint venture: _____.*]

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

- (1) Be punished by imposition of a fine, imprisonment, or both;
- (2) Be subject to administrative remedies, including suspension and debarment; and
- (3) Be ineligible for participation in programs conducted under the authority of the Small Business Act.

(End of provision)

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

The offeror represents that--

(a) It--

has

has not--

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

(b) It--

has

has not--

filed all required compliance reports; and

(c) Representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.

(End of provision)

52.222-25 AFFIRMATIVE ACTION COMPLIANCE (APR 1984)

THE FAR REPRESENTATION IN THE FOLLOWING PARAGRAPH SHALL BE COMPLETED BY EACH OFFEROR WHOSE OFFER IS \$50,000 OR MORE AND WHO HAS 50 OR MORE EMPLOYEES.

This representation--

DOES APPLY.

DOES NOT APPLY.

The offeror represents that--

(a) It--

has developed and has on file

has not developed and does not have on file--

at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2); or

(b) It--

has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

(End of provision)

52.223-13 CERTIFICATION OF TOXIC CHEMICAL RELEASE REPORTING (OCT 2000)

(a) Submission of this certification is a prerequisite for making or entering into this contract imposed by Executive Order 12969, August 8, 1995.

(b) By signing this offer, the offeror certifies that—

(1) As the owner or operator of facilities that will be used in the performance of this contract that are subject to the filing and reporting requirements described in section 313 of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) (42 U.S.C.11023) and section 6607 of the Pollution Prevention Act of 1990 (PPA) (42 U.S.C.13106), the offeror will file and continue to file for such facilities for the life of the contract the Toxic Chemical Release Inventory Form (Form R) as described in sections 313(a) and (g) of EPCRA and section 6607 of PPA; or

(2) None of its owned or operated facilities to be used in the performance of this contract is subject to the Form R filing and reporting requirements because each such facility is exempt for at least one of the following reasons: [Check each block that is applicable.]

(i) The facility does not manufacture, process, or otherwise use any toxic chemicals listed under section 313(c) of EPCRA, 42 U.S.C.11023(c);

(ii) The facility does not have 10 or more full-time employees as specified in section 313(b)(1)(A) of EPCRA, 42 U.S.C.11023(b)(1)(A);

(iii) The facility does not meet the reporting thresholds of toxic chemicals established under section 313(f) of EPCRA, 42 U.S.C.11023(f) (including the alternate thresholds at 40 CFR 372.27, provided an appropriate certification form has been filed with EPA);

(iv) The facility does not fall within Standard Industrial Classification Code (SIC) designations 20 through 39 as set forth in section 19.102 of the Federal Acquisition Regulation; or

(v) The facility is not located within any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Northern Mariana Islands, or any other territory or possession over which the United States has jurisdiction.

(End of provision)

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

(a) *Definitions.* As used in this provision-

- (1) "Government of a terrorist country" includes the state and the government of a terrorist country, as well as any political subdivision, agency, or instrumentality thereof.
- (2) "Terrorist country" means a country determined by the Secretary of State, under section 6(j)(1)(A) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)(i)(A)), to be a country the government of which has repeatedly provided support for acts of international terrorism. As of the date of this provision, terrorist countries include: Cuba, Iran, Iraq, Libya, North Korea, Sudan, and Syria.
- (3) "Significant interest" means-
 - (i) Ownership of or beneficial interest in 5 percent or more of the firm's or subsidiary's securities. Beneficial interest includes holding 5 percent or more of any class of the firm's securities in "nominee shares," "street names," or some other method of holding securities that does not disclose the beneficial owner;
 - (ii) Holding a management position in the firm, such as a director or officer;
 - (iii) Ability to control or influence the election, appointment, or tenure of directors or officers in the firm;
 - (iv) Ownership of 10 percent or more of the assets of a firm such as equipment, buildings, real estate, or other tangible assets of the firm; or
 - (v) Holding 50 percent or more of the indebtedness of a firm.

(b) *Prohibition on award.* In accordance with 10 U.S.C. 2327, no contract may be awarded to a firm or a subsidiary of a firm if the government of a terrorist country has a significant interest in the firm or subsidiary or, in the case of a subsidiary, the firm that owns the subsidiary, unless a waiver is granted by the Secretary of Defense.

(c) *Disclosure.* If the government of a terrorist country has a significant interest in the Offeror or a subsidiary of the Offeror, the Offeror shall disclose such interest in an attachment to its offer. If the Offeror is a subsidiary, it shall also disclose any significant interest the government of a terrorist country has in any firm that owns or controls the subsidiary. The disclosure shall include-

- (1) Identification of each government holding a significant interest; and
- (2) A description of the significant interest held by each government.

(End of provision)

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

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

(End of provision)

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

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

(b) REPRESENTATIONS.

The offeror represents that it--

Does anticipate that supplies will be transported by sea in the performance of any contract or subcontract resulting from this solicitation.

Does not anticipate that supplies will be transported by sea in the performance of any contract or subcontract resulting from this solicitation.

(c) Any contract resulting from this solicitation will include the TRANSPORTATION OF SUPPLIES BY SEA clause. If the offeror represents that it will not use ocean transportation, the resulting contract will also include the Defense FAR Supplement clause at 252.247-7024, NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA.

(End of provision)

SECTION L

Instructions, Conditions, and Notices to Offerors

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

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

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

The following FAR and DFARS clauses are incorporated by reference:

Paragraph	Clause Title	Date
52.215-1	Instructions to Offerors—Competitive Acquisitions – Alt I & Alt II (IAW FAR 15.209[a], [a][1] & [a][2])	May 2001 Oct 1997 Oct 1997
52.215-20	Requirement for Cost or Pricing Data or Information other than Cost or Pricing Data – Alt IV (IAW FAR 15.408[I] & [I][4])	Oct 1997 Oct 1997
52.237-1	Site Visit (IAW FAR 37.110 [a])	Apr 1984
52.252-5	Authorized Deviations in Provisions (IAW FAR 52.107[e]) (a) The use in this solicitation of any Defense Federal Acquisition Regulation (DFAR) Supplement (48 CFR Chapter 2) provision with an authorized deviation is indicated by the addition of (DEVIATION) after the name of the regulation.	Apr 1984

52.204-6 Data Universal Numbering System (DUNS) Number. (June 1999)

(a) The offeror shall enter, in the block with its name and address on the cover page of its offer, the annotation "DUNS" followed by the DUNS number that identifies the offeror's name and address exactly as stated in the offer. The DUNS number is a nine-digit number assigned by Dun and Bradstreet Information Services.

(b) If the offeror does not have a DUNS number, it should contact Dun and Bradstreet directly to obtain one. A DUNS number will be provided immediately by telephone at no charge to the offeror. For information on obtaining a DUNS number, the offeror, if located within the

United States, should call Dun and Bradstreet at 1-800-333-0505. The offeror should be prepared to provide the following information:

- (1) Company name.
- (2) Company address.
- (3) Company telephone number.
- (4) Line of business.
- (5) Chief executive officer/key manager.
- (6) Date the company was started.
- (7) Number of people employed by the company.
- (8) Company affiliation.

(c) Offerors located outside the United States may obtain the location and phone number of the local Dun and Bradstreet Information Services office from the Internet home page at <http://www.customerservice@dnb.com>. If an offeror is unable to locate a local service center, it may send an e-mail to Dun and Bradstreet at globalinfo@mail.dnb.com.

(End of provision)

52.216-1 Type of Contract. (Apr 1984)

The Government contemplates award of a Fixed Price – Price Redetermination Prospective utility services contract resulting from this solicitation.

(End of provision)

52.222-24 Preaward On-Site Equal Opportunity Compliance Evaluation. (Feb 1999)

If a contract in the amount of \$10 million or more will result from this solicitation, the prospective Contractor and its known first-tier subcontractors with anticipated subcontracts of \$10 million or more shall be subject to a preaward compliance evaluation by the Office of Federal Contract Compliance Programs (OFCCP), unless, within the preceding 24 months, OFCCP has conducted an evaluation and found the prospective Contractor and subcontractors to be in compliance with Executive Order 11246.

(End of provision)

52.233-2 Service of Protest. (Aug 1996)

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

Verna Velez
 Attn.: DESC-EPP
 Defense Energy Support Center
 8725 John J. Kingman Rd.
 Suite 4950
 Ft. Belvoir, VA 22060-6222

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

(End of provision)

L.2 Information to Offerors

L.2.1 General Information

L.2.1.1 Point of Contact

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

Name: Verna Velez

Address: 8725 John J. Kingman Road, Suite 4950; ATTN: DESC-EPP

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

Fax no: 703-767-8757

E-mail: vvelez@desc.dla.mil

L.2.1.2 Debriefings

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

L.2.1.3 Use of Non-Government Advisors

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

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

Name of Company/Office

Integrated Data Systems (Fairfax, Virginia)

Burns & McDonnell Engineering Co., Inc.

Note: The companies listed above may not assist or participate in preparation or submission of any proposal associated with this acquisition. Integrated Data Systems will be assisting with the Electronic Source Selection program used in the evaluation of offers.

L.2.1.4 Site Visits

Pursuant to FAR 52.237-1, *Site Visit*, site visits will be allowed between September 30, 2001 and October 15, 2001. Offerors may schedule site visits by contacting the PCO. The request for a site visit shall include the areas of the installation the Offeror wishes to view. Site visit requests shall be made with a minimum of 1-week advance notice.

L.2.1.5 Technical Library

A Technical Library will be available from April 16, 2001 until the proposal due date, for Offerors to view data that were not available in electronic format. Offerors should contact the PCO to arrange entrance into the Library.

L.2.2 Number of Awards

If the contractor is awarded multiple systems a single award will be made for said systems. Therefore, the number of awards may be less than the number of systems listed in the RFP. However, irrespective of the number of awards, there will be a separate Administrative Contracting Officer for each Installation.

L.2.3 Applicable DLAD Provisions

The following provisions of the Defense Logistics Agency Directive (DLAD) are applicable to this solicitation:

AGENCY PROTESTS (DEC 1999) - DLAD

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

(DLAD 52.233-9000)

L.3 Proposal Preparation Instructions – General

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

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

L.3.1 Proposal Organization/Page Limits

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

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

L.3.2 Proposal Format

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

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

Elaborate graphics, multi-media functions (for example, video clips or sound bites), or other embellishments are unnecessary and are not desired.

L.3.3 Distribution

Offeror shall submit an original and three hard copies in three-ring binders. An additional copy shall be submitted on a CD.

L.3.4 Electronic Media

Offeror shall submit their electronic proposals on CD ROM disks. All volumes shall be submitted on one CD. With the exception of the Price proposal, Offeror shall submit proposal files in the *Adobe* Portable Document File (PDF) format with a table of contents (roadmap) of the proposal structure. The Offeror shall provide appropriate *bookmarks* and *thumbnails*. The minimum requirement for hypertext link is a table of contents linked to each file provided in the proposal. Additional hypertext links within the proposal are at the Offeror's discretion.

The Price Volume shall be submitted in application-specific files developed and saved using the following versions of Microsoft software: *Word 97*, *Excel 97*, *PowerPoint 97*, and *Windows 95*. Electronic proposal files should be no more than four megabytes (4MB) in size. Offeror's are encouraged to refrain from incorporating detailed graphic items (other than any plans or drawings) as they are not required or desired. Any scanned documents incorporated into an offeror's proposal shall be split into multiple files so that each individual file is no more than 4MB. If multiple files are required for a given volume, offeror's shall organize their electronic submission so that each volume is contained in a separate directory. Each CD shall contain an electronic label, which is to be established on a CD when the CD is formatted. No password-protected, zipped, or self-extracting files shall be used.

Offeror should take reasonable precautions to insure that CDs provided are free of viruses. Offerors are reminded that if the hard copy version contains restrictive legends the CD shall contain the same markings.

L.3.5 Pages and Typing

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

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

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

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

L.3.6 Cost or Pricing Information

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

L.3.7 Proposal Structure

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

L.3.8 Glossary of Abbreviations and Acronyms

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

L.3.9 Documents Incorporated by Reference

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

L.3.10 Proposal Revisions

When submitting revised proposals offerors shall submit changes in accordance with the following.

Proposal revisions shall be submitted an original, three hard copies and an electronic copy on CD.

In the upper right corner of each revised page, include the Offeror name, exact location (volume, section, page number, etc.) within the original proposal, and date of transmittal. Changes shall be marked by a change bar in the margin to indicate the changed part of each page. If the revision exceeds one page, each page shall be marked with the page number it is replacing and a

numerical or alphabetical extension (i.e. 93-a...93-d). For each deleted page, a blank page shall be submitted denoted with “page intentionally left blank” and the original page number.

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

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

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

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

The Technical Capability subfactors are:

1. Service Interruption/Contingency Plan
2. Operations and Maintenance Plan and Quality Management Plan
3. Capital Upgrades and Renewals and Replacements Plan
4. Operational Transition Plan
5. Financial Strength

L.4.1 Subfactor 1: Service Interruption/Contingency Plan

Offeror shall submit a Service Interruption/Contingency Plan IAW the applicable requirements of Section C, *Description/Specifications/Work Statement*, paragraph C.7, *Response to Service Interruptions and Contingencies* and paragraph C.8, *Repair Response Notification Procedures*. The Service Interruption/Contingency Plan will be incorporated into the contract at time of award.

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

- ?? Resources to be utilized in the implementation of the procedures described in the Plan
- ?? Cause of interruption
- ?? Detailed contingency plan of action (including Government notifications)
- ?? Estimated response time
- ?? Estimated time for reestablishment of temporary service
- ?? Estimated time for reestablishment of permanent service
- ?? Emergency Restoration Plan in the event of widespread utility outage
- ?? Response to routine service requests

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

Offeror shall submit an Operations and Maintenance Plan and Quality Management Plan IAW the requirements of Section C, *Description/Specifications/Work Statement*, paragraph C.12, *Operations and Maintenance*. The Operation and Maintenance Plan and the Quality Management Plan will be incorporated into the contract at time of award.

L.4.2.1 Operations and Maintenance Plan

The O&MP shall describe, in detail, the Contractor’s operations and maintenance policies and procedures. The O&MP shall propose performance standards and/or specifications for the provision of utility service. When developing the O&MP, the criteria listed in Schedule C-1, if applicable, should be considered. For each of the proposed performance standards and/or specifications, describe how the performance standards and/or specifications will be met.

Schedule C-1

Wastewater System
Effluent Quality
Reliability
Recurring and Preventative Maintenance
Sampling/ Analysis
Permitting
Demand and Collection Capacity
Pre-Treatment Requirements
(Left Blank)
Corrosion Control (To Include Cathodic Protection)
(Left Blank)
Minimization of Inflow and Infiltration
Safety of Government Personnel and Property
Service Connection Standards and Specifications
Blockages and Cross Connections
Water and Sewer Line Separation

Wastewater System
Separation
New Construction Standards
Commissioning Standards
Color Identification and Markings
System Inspections
Meter and Equipment Calibration
Service Interruption Frequency
Operating Permits
Employee Certifications

L.4.2.2 Quality Management Plan

The Contractor shall establish and adhere to a Quality Management Plan (QMP) to ensure the safe and reliable operation of the system.

This QMP shall include, but is not limited to, the following:

- ?? Ensure compliance with the procedures of the Operations and Maintenance Plan.
- ?? Staffing Plan, which clearly defines the qualifications of each staff position for the operation of the utility system. The staffing plan shall also identify training and certifications required for each staff position and the Contractor's approach to ensuring personnel are current in training and certifications.
- ?? Quality Awards and Certificates.
- ?? Identify processes for obtaining customer feedback and translating feedback into appropriate process improvements.
- ?? A proven system of inspections or other quality assessment procedures and techniques.
- ?? Record keeping.
- ?? Performance metrics and standards to be used to assess and improve the quality and cost of contract work by identifying, reporting, and correcting deficiencies and preventing reoccurrence.
- ?? For wastewater treatment systems, an Environmental Compliance Plan from waste generation through waste discharge or disposal. This plan shall clearly define all interface points and responsibilities for transferring materials from the wastewater system between the Government, Contractor, disposal facilities, and any regulatory bodies.

L.4.3 Subfactor 3: Initial Capital Upgrades and Initial Renewals and Replacements Plan

Offeror shall submit an Initial Capital Upgrades and Initial Renewals and Replacements Plan IAW applicable requirements of Section C, *Description/Specifications/Work Statement*. An Initial Capital Upgrades and Initial Renewals and Replacements Plan will be incorporated into the contract at time of award.

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

1. Detailed description of all proposed initial capital upgrades and initial renewals and replacements to the utility system. A schedule for implementing proposed capital upgrades and initial renewals and replacements shall be included.
2. Conceptual methodology that will be used for scheduling renewals and replacements for the duration of the contract to ensure long-term efficient level of service.
3. As applicable, conceptual plans for, including methods for monitoring the effectiveness of, energy efficiencies and conservation projects for purposes as defined in paragraph C.3.4, *Energy and Water Efficiency and Conservation*.

L.4.4 Subfactor 4: Operational Transition Plan

The Offeror shall submit an Operational Transition Plan IAW Section C, *Description/Specifications/Work Statement*, paragraph C.13, *Operational Transition Plan*. The transition plan shall propose an adequate schedule for turnover of the facilities, equipment, permits, operation and maintenance, and other responsibilities to include any new construction, installation of meters required for utility billing, turnover of meter readings and billing responsibilities, and the process for evaluating existing employees for employment. The operational transition plan shall include procedures and an implementation schedule for the following:

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

L.4.5 Subfactor 5: Financial Strength

Offeror shall submit documentation of financial capabilities IAW Provision M.3, *Evaluation Factors and Subfactors*. Financial capability shall demonstrate that the Offeror is in sound financial condition and has the ability to secure the necessary financing to meet the financial and

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

Financial Strength Ratio Table

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

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

The Offeror shall submit to the Contracting Officer its past performance information (contact references per Section L, Attachment 1) with its proposal. An original and three hard copies of the offeror’s past performance information shall be submitted in four individual loose-leaf binders.

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

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

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

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

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

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

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

Volume III shall include the following:

- ?? A completed, signed and dated SF 33. The *original* copy should be clearly marked under separate cover and should be provided without any punched holes.
- ?? Completed Section K

L.6.2 Alternate Proposals and Exceptions to Terms and Conditions

The Government encourages the submission of alternate proposals which add value when compared with the requirements in the RFP. Provide a rationale explaining the advantages of the alternate proposal to the Government.

In addition, exceptions may be taken to individual terms and conditions of the RFP. Exceptions taken to individual terms and conditions of the RFP shall be clearly identified. Each exception shall be specifically related to each paragraph and/or specific part of the RFP to which the exception is taken. Provide a rationale in support of the exception, explaining its effect in comparison with the original requirements of the RFP. This information shall be provided in the format and content of the table below. Unless included in this volume, no exceptions to terms and conditions will be assumed and any resultant contract will incorporate the terms and conditions of the RFP.

RFP EXCEPTIONS

RFP Document	Paragraph/ Page	Requirement/ Portion	Rationale
SOW, RFP Model	Applicable page and	Identify the requirement or	Justify why the

Contract, etc.	paragraph numbers	portion to which exception is taken	requirement will not be met or discuss reasons why not meeting the Government's terms and conditions might be advantageous to the Government
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L.6.3 Other Required Information

L.6.3.1 Authorized Personnel

Provide the name, title, and telephone number of the company representative(s) who can obligate your company contractually. Also, identify those individuals authorized to negotiate with the Government.

L.6.3.2 Subcontracting Plan (Large Businesses Only)

Each large business Offeror shall submit a Subcontracting Plan as part of their proposal submission. The plan shall be prepared IAW FAR 52-219-9, *Small Business Subcontracting Plan*.

L.6.3.3 Socioeconomic Plan

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

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

1. A description of the efforts the company will make to assure that small businesses and/or Historically Black Colleges/Universities or Minority Institutions (HBCUs/MIs) will have equal opportunity to compete for subcontracts under any resulting contract.
2. A description of the offeror's current and planned proposed range for services, supplies, and any other support that will be provided by small businesses and/or Historically Black Colleges/Universities or Minority Institutions (HBCUs/MIs).
3. The specific names of subcontractors to the extent they are known.
4. A description of any future plans the company has for developing additional subcontracting opportunities for small businesses and/or Historically Black Colleges/Universities or Minority Institutions (HBCUs/MIs) during the contract period.

5. Identification of the portion of the offeror's proposal, as a percentage of dollars, that will be subcontracted to small businesses and/or Historically Black Colleges/Universities or Minority Institutions (HBCUs/MIs).
6. The type of performance data the offeror would accumulate and provide to the Contracting officer regarding your support of small businesses and/or Historically Black Colleges/Universities or Minority Institutions (HBCUs/MIs) during the period of contract performance.
7. The name and title of the individual principally responsible for ensuring company support to such firms.

L.6.3.4 Catastrophic Loss

Per H.3, Catastrophic Loss, the offeror shall propose how it plans to protect itself from a catastrophic loss.

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

L.7.1 Submission of Certified Cost or Pricing Data

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

L.7.2 General

The Offeror shall submit a separate schedule B (B-1 or B-2) for each utility system at each Installation included in the proposal.

L.7.3 Accounting Systems

The Offeror shall describe the accounting system proposed for this contract.

L.7.4 Organization

Volume IV shall consist of the following sections:

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

L.7.5 Detailed Instructions for Price Proposal

Table of Contents

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

Section 1 - Schedule B-1 or Schedule B-2

Include a completed copy of the RFP Schedule B-1 or Schedule B-2, *Utility Service Payment by the Government*.

Section 2 -- Schedule B-1 - Cost Proposal, Introduction, and Pricing Assumptions

Offerors shall submit the total fixed monthly charge using schedule L-1.

Schedule L-1 - Calculation of Fixed Monthly Charge

Component	Monthly Charge
1. Operations and Maintenance (O&M)	
2. Renewals and Replacements	
Total Fixed Monthly Charge (to be entered in Sub-CLIN AB)	

Operations and Maintenance.

For the operations and maintenance component the offeror shall clearly establish a direct correlation between the price listed in Schedule L-1 and the operations and maintenance plan provided in accordance with section L.4.2.1, *Operations and Maintenance Plan*. The offeror shall provide detailed pricing data for all labor (direct and indirect), materials and procurement costs, insurance, equipment, general and administrative, overhead costs, and any other cost identified by the offeror.

Renewals and Replacements

Renewals and Replacements are defined in C.11.2.1, *Initial Capital Upgrades*. For the Renewals and Replacements component, the Offeror shall establish a 50-year schedule for renewals and replacements of major system components given the information available in this solicitation, technical library, through site visits, and other pertinent information. The 50-year schedule for renewals and replacements shall be established as shown in Schedule L-2. The Offeror shall clearly establish a direct correlation between the 50-year schedule for renewals and replacements and the renewals and replacements component of the Fixed Monthly Charge presented in Schedule L-1. If the correlation includes a residual value at the end of the 50-year schedule, the Offeror shall clearly demonstrate the basis for the residual value.

SCHEDULE L-2
RENEWALS AND REPLACEMENTS SCHEDULE

50-Year Schedule

<u>Year</u>	<u>Dollar Amount</u>	<u>Description of Renewal or Replacement</u>
2001		
2002		
2003		
2004		
2005		
200X		
200X+1		
2048		
2049		
2050		

Capital Upgrades and Recoverable Portion of the Purchase Price

The Offeror shall provide cost information for capital upgrades listed in the Capital Upgrades and Renewals and Renewals Plan provided in their proposal in accordance with C.11.2, *Capital Upgrades and Renewals and Renewals Plan*. Information to support the price proposed for capital upgrades shall include total upgrade price, estimated completion date, and the number of months the price will be amortized as proposed by the Offeror. This information should be provided in Schedule L-3.

The recoverable portion of the purchase price (purchase price as offered in Sub-CLIN AB) is the portion of the purchase proposed for recovery by the Offeror. The offeror shall provide the monthly purchase price recovery amount and the number of months for which this recovery will be applicable. After the time period proposed by the Offeror expires, this portion of the monthly fixed payment will be removed from the contract price. This information should be provided in Schedule L-3.

Schedule L-3 - Additions to the Fixed Monthly Charge

Component Name	Component Cost	Expected Month of Completion	Number of Months to Amortize Component	Monthly Charge
1. Initial Capital Upgrades				
Project 1				
Project 2				
Project n				
2. Recoverable Portion of Purchase Price		NA		

Section 3 - Schedule B-2 - Cost Proposal, Introduction and Pricing Assumptions

Alternate Price Proposals

For each proposed tariff the offeror shall provide an explanation of each tariff, how each tariff will be applied, the locations to which each tariff applies, and the rationale for applying each tariff. The offeror shall provide information on how the proposed tariff rate(s) will be applied to determine the monthly charge. The offeror shall provide any assumptions in determining which rate to apply. Describe the rate/rates, how and what assumptions you are using to determine the annual costs for the different rates. Offeror shall describe how the offered rate differs from the rate under which service is currently being provided to the Installation and the economic impact of any proposed change in rate. As part of the offer the offeror shall provide the following if applicable:

1. Service Class
2. Buildings the Service Class Applies to
3. Tariff schedule
4. Assumptions of service (estimated usage per building per service class, etc.)
5. Based on the tariff rate proposed, the calculated annual cost
6. An explanation of the regulatory process, if any, that will apply prior to the imposition of future price changes.

Section 4 -- Standard Estimating Methodology

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

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

Section 5 -- Cost Risk Assessment

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

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

ATTACHMENT 1: PAST PERFORMANCE INFORMATION

Provide the information requested in this form for each reference. Provide comments regarding your performance on the contracts you identify.

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

(Note: If the Company or Division performing this effort is different than the Offeror, or the relevance of this effort to the acquisition is impacted by any Company/Corporate organizational change, note those differences/changes and explain why the past performance should be attributed to the Offeror refer to the "Organizational Structure Change History" you provided as part of your relevant present and past performance volume.)

B. CONTRACT/PROJECT SPECIFICS:

1. Contract/Project Number _____

2. Period of Performance _____

3. \$ Value _____

C. BRIEF DESCRIPTION OF EFFORT AS __PRIME OR __SUBCONTRACTOR.

(Please highlight portions considered most relevant to current acquisition)

D. PRIMARY POINTS OF CONTACT:

Name: _____

Office _____

Address _____

Telephone _____

E-mail _____

Fax _____

E. ADDRESS PROBLEMS ENCOUNTERED ON THIS CONTRACT/PROJECT AND YOUR SOLUTIONS TO THOSE PROBLEMS.

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

	OWN	OPERATE	MAINTAIN	ON SITE
Sewer Lines				
Pump Stations				
WTP				
IWTP				
Electrical Distribution System				
Water Lines				
Gas Distribution System				

SECTION M

Evaluation Factors for Award

M.1 Basis for Contract Award

Award will only be made if (1) the long-term economic benefit of the conveyance to the United States exceeds the long-term economic cost of the conveyance to the United States, and (2) the conveyance will reduce the long-term costs of the United States for utility services provided by the utility system concerned. This criteria must be met for each separate utility system, whether bundled or not.

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

M.2 Accounting System

Offerors lacking an acceptable accounting system will be determined non-responsible and ineligible for award.

M.3 Evaluation Factors and Subfactors

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

?? Factor 1: Technical Capability

- ?? Subfactor 1: Service Interruption/Contingency Plan: will be evaluated for the degree to which it ensures an appropriate, efficient and effective response to service interruptions and contingencies.
- ?? Subfactor 2: Operations and Maintenance Plan and Quality Management Plan: will be evaluated for the degree to which it ensures appropriate, efficient and effective operation and maintenance of the utility system(s) and a superior level of quality.
- ?? Subfactor 3: Capital Upgrades and Renewals and Replacements Plan: will be evaluated for the degree to which it supports the long-term ability of the utility system(s) to provide utility service(s).
- ?? Subfactor 4: Operational Transition Plan: will be evaluated for the degree to which it will ensure an effective and efficient transition.
- ?? Subfactor 5: Financial Strength: will be evaluated for stability and adequacy to meet the long-term capital and cash needs to own, operate, and maintain the utility system(s). This is to be reflected in documented evidence that the Offeror is in sound financial condition and has the ability to secure the necessary financing to meet the financial and capital requirements needs of the utility system both now and in the future.

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

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

Offerors are advised that the Government may use information gained from any source known to the Government to evaluate past performance, provided such information is recent (within the past 5 years).

- ?? Factor 3: Risk

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

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

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

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

- ?? Factor 5: Price: The total evaluated price will not be rated or scored, but will be a consideration in the final source-selection decision.

For Schedule B-1, the total evaluated price (Schedules B-1 and L-3) will be the net present value of the stream of monthly payments the Government is expected to make to the Contractor over the 50-year contract period. Each monthly payment will be calculated by crediting the total monthly payment (the Fixed Monthly Charge including applicable capital upgrades and initial renewals and replacements and the recoverable portion of the purchase price expressed in Schedule L-3) by the purchase price Sub-CLIN AB. Present values will be calculated using the discount rate specified in Appendix C of OMB Circular A-94 (current issue at the time proposals are due).

For Schedule B-2, the total evaluated price (Schedule B-2) will be the net present value of the stream of monthly payments the Government is expected to make to the Contractor over the 50-year contract period. Each monthly payment will be calculated by crediting the total monthly payment (the Applicable Tariffs including capital upgrades and initial renewals and replacements and the recoverable portion of the purchase price expressed in the price proposal) by the purchase price Sub-CLIN AB. Present values will be calculated using the discount rate specified in Appendix C of OMB Circular A-94 (current issue at the time proposals are due).

M.3.1 Order of Importance for Evaluating Factors and Subfactors:

Technical Capability, Past Performance, and Risk are of equal importance. Socioeconomic Plan is the least important. When combined, Technical Capability, Past Performance, Risk, and Socioeconomic Plan, are significantly more important than Price.

Technical Capability and Risk will be evaluated at the subfactor level. Under Technical Capability, Subfactors 1 and 2 are the most important and of equal importance. Subfactors 3, 4, and 5 are of equal importance but less important than Subfactors 1 and 2. Under Risk, Subfactors 1, 2 and 3 are of equal importance.

M.4 Comparison of Offered Prices with the Government Estimate

In accordance with 10 USC § 2688, authority to privatize a utility system is subject to the action being in the long-term economic interest of the Government. To determine whether that criteria is met, the Government will use the Sub-CLIN data in Schedule B-1 or Schedule B-2 to develop a projected 50-year cash flow.

The present value of the projected cash flow will be calculated and compared to the Government's present value estimate for a 50-year cash flow for Government ownership and operations and maintenance. Present values will be calculated at the discount rate specified in Appendix C of the Office of Management and Budget (OMB) Circular A-94 that is current at the time proposals requested herein are due.

M.4.1 Schedule B-1

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

Sub-CLIN AA – Fixed Monthly Charge: The Fixed Monthly Charge will be multiplied by 12 months to reach the annual cost. The annual Fixed Monthly Charge will be included in each year of the cash-flow projection. For the 50 year projected cash flow, the capital upgrade costs listed in the price proposal (Schedule L-3) will be added to the Fixed Monthly Charge in Schedule B-1 when the estimated completion date of the upgrade occurs and will be removed after the number of months proposed elapses. The recoverable portion of the purchase price listed in the price proposal (Schedule L-3) will be added to the Fixed Monthly Charge in Schedule B-1 for the number of months proposed by the offeror.

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

M.4.2 Schedule B-2

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

Sub-CLIN AA - Applicable Tariff: The applicable tariff including capital upgrades as appropriate will be extended to calculate a 50 year projected cash flow. The recoverable portion of the purchase price listed in the price proposal will be added to the monthly tariff cost in Schedule B-2 for the number of months proposed by the offeror.

Sub-CLIN AB - Monthly Credit as Payment for Purchase Price: The total fixed monthly charge will be calculated for the time period proposed by the Offeror. Sub-CLIN AB will be removed from the cash-flow projection for the years after the time period proposed by the Offeror expires.