

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE N00024-00-D-6000	PAGE OF 1	PAGES 4
2. AMENDMENT/MODIFICATION NO. P00003	3. EFFECTIVE DATE See Block 16C	4. REQUISITION/PURCHASE REQUISITION NO. N/A		5. PROJECT NO. N/A	
6. ISSUED BY SPACE AND NAVAL WARFARE SYSTEMS COMMAND (SPAWAR) Contracting Officer: 02-32 ELLEN H. POLEN 4301 PACIFIC HIGHWAY, OT-4, ROOM 2082B SAN DIEGO, CA 92110-3127 PHONE: (619)524-7388		7. ADMINISTERED BY (If other than Item 6) SAME AS BLOCK 6		CODE	
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) ELECTRONIC DATA SYSTEMS 13600 EDS DRIVE HERNDON, VA 20171 Attn: NMCI Contracts			(x) X	9A. AMENDMENT OF SOLICITATION NO.	
				9B. DATED (SEE ITEM 11)	
				10A. MODIFICATION OF CONTRACT/ORDER N00024-00-D-6000	
				10B. DATED (SEE ITEM 13) 06 OCT 00	
CODE 1U305	FACILITY CODE				
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS					
<input checked="" type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of offers <input checked="" type="checkbox"/> is <input type="checkbox"/> is not extended. Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation as amended, by the following checked method: (a) By completing Items 8 and 15, and returning ____ copies of the amendment; <input checked="" type="checkbox"/> (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separated letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.					
12. ACCOUNTING AND APPROPRIATION DATA (If required) N/A					
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIED THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.					
<input checked="" type="checkbox"/>	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify Authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT/ORDER NO. IN ITEM 10A.				
<input type="checkbox"/>	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation data, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).				
<input checked="" type="checkbox"/>	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: By Mutual Agreement of the parties				
<input type="checkbox"/>	D. OTHER (Specify type of modification and authority)				
E. IMPORTANT: Contractor <input type="checkbox"/> is not <input checked="" type="checkbox"/> is required to sign this document and return 2 copies to the issuing office.					
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)					
See Attached.					
Except as provide herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and if full force and effect.					
15A. NAME AND TITLE OF SIGNER (Type or Print) Keith Spencer, NMCI Contracts Manager			16A. NAME AND TITLE OF SIGNER (Type or Print) Ellen H. Polen, Contracting Officer		
15B. CONTRACTOR/OFFEROR _____/s/ (Signature of person authorized to sign)	15C. DATE SIGNED 2/8/01	16B. UNITED STATES OF AMERICA _____/s/ (Signature of Contracting Officer)		16C. DATE SIGNED 2/8/01	

The purpose of this modification to Contract N00024-00-D-6000 is to make the changes set forth below. It is noted that changes provided in this modification relate to Direct Payment to First Tier Small Business Subcontractors and Standard Industrial Classification Codes (SIC) applicable under this contract.

1. Revise Part Two – Paragraph 5.10 in its entirety. The following language is hereby incorporated into the contract:

5.10 DIRECT PAYMENT TO FIRST-TIER SMALL BUSINESS SUBCONTRACTORS

5.10.1 Except as provided in 5.10.2, the Contractor agrees to include in its invoices instructions to the Government to remit amounts that the Contractor owes to its first-tier small business subcontractors directly to those entities, or alternatively, to establish procedures acceptable to the Contracting Officer providing for submission of invoices of such subcontractors for payment by the Government after certification by the Contractor. The Contractor agrees to flow down FAR clause 52.232-33, Payment by Electronic Funds Transfer—Central Contractor Registration, to all subcontractors receiving direct payment from the Government. The Contractor further agrees to indemnify the Government against, and hold the Government harmless from, any and all claims of underpayment or overpayment of subcontractors. The Contractor will obtain written consent from the Contracting Officer for each first-tier small business subcontractor entity receiving payment directly from the Government pursuant to this clause. Upon request, and with the Contracting Officer's prior approval, the Government will provide the Contractor with confirmation of amounts and dates of payments to subcontractors. Making such direct payments shall not be construed to create privity of contract between the Government and any such first-tier subcontractor. Accordingly, all communications of any nature regarding this contract (other than the above-described invoice payments) shall be between the Government and the prime contractor.

5.10.2 Effective from the date of contract award to the date when DFAS has developed and implemented a payment system to accommodate the Government's direct payment to first-tier small business subcontractors, EDS will pay all first-tier small business subcontractors directly. Such payments will be made within 30 days from receipt of a valid invoice. When the DFAS system is implemented, the terms of paragraph 5.10.1 will apply to services performed that are directly related to site-specific task orders. The Government will pay those first-tier small business subcontractors that are performing services directly linked with applicable task orders. Those first-tier small business subcontractors that are performing global/enterprise-wide services that are not task order specific will continue to be paid by EDS. This will continue until the total dollar value of all invoices due EDS under this contract exceeds the total dollar value of payments due to the first-tier small business subcontractors. When payments due to first-tier small business subcontractors that are performing global/enterprise-wide services can be allocated to all applicable task orders, EDS will follow the terms of 5.10.1 to enable the government to provide direct payment to first-tier small business subcontractors.

5.10.3. First-tier small business subcontractor invoices will accompany the EDS monthly invoices for each task order. The billing cycle for EDS and its small business subcontractors shall be in concert with one another to the fullest extent practicable in order to minimize delays in the payment cycle for the first-tier small business subcontractors. In the event a small business subcontractor declines to adjust their billing cycle accordingly, EDS will notify the SPAWAR NMCI Small Business Office.

2. Revise Part Two – Paragraph 6.9.1 in its entirety. The following language is hereby incorporated into the contract:

6.9.1 SMALL AND SMALL DISADVANTAGED SUBCONTRACTING PARTICIPATION PLAN (MANDATORY)

The Contractor's approved Subcontracting Plan is a material requirement of this contract. The subcontracting levels stated in the approved plan are the minimum requirements of the contract. The percentages stated in this

clause are not goals; they are mandatory requirements. The Contractor shall meet these percentages no later than six months following contract award. The minimum mandatory requirements are a percentage of total contract price, and are as follows:

CATEGORY		MINIMUM REQUIREMENT
a.	Total Small Business Concerns (including small disadvantaged and women-owned small businesses)	40%
b.	Small Disadvantaged Businesses	5% (of total 40%)
c.	Women-Owned Small Businesses	5% (of total 40%)
d.	HUBZone Small Businesses	1.5% (of total 40%)

The Contractor shall subcontract 10 percent of the 40 percent requirement with first tier subcontractors (also known as “strategic alliance partners”).

First, second, and third tier subcontractors will count towards meeting the subcontracting requirements for this procurement. A company is considered small if the company is certified as small under Standard Industrial Classification (SIC) Code Series 15, 27, 35, 42, 47, 48, 50, 73 or 87. In addition, the Contractor is encouraged to consider using subcontractors from the following categories:

- HBCU/MI
- Small Business Act, Section 8(a) certified small disadvantaged businesses
- Javits/Wagner/O’ Day Nonprofit Agencies
- 52.226-1 (Indian Organizations and Indian-Owned Economic Enterprises)
- Veteran-owned and service-disabled veteran-owned small businesses

The Contractor should note that NAVSEA has a listing of Interested Sources on its web site. The web address is: <https://www.nmci.spawar.navy.mil/>. The Contractor may also find HubZone subcontracting Information on the Small Business Administration web site. The web address is: <http://pro-net.sba.gov/pro-net/register.html>.

3. Revise Part Two – Paragraph 6.14.4 in its entirety. The following language is hereby incorporated into the contract:

6.14.4 SMALL AND SMALL DISADVANTAGED BUSINESS PARTICIPATION

The following incentive is to encourage continued small and small disadvantaged business participation at a level higher than the level of 40% over all and 10% subcontracted to the First Tier as stated in the approved subcontracting plan now included as a material part of this contract.

Beginning six months after contract award, the Contractor shall submit data for the previous six month period showing actual amounts of subcontracted dollars to small and small disadvantaged businesses. If the amount exceeds the level stated in the approved subcontracting plan, an incentive up to \$625,000 will be determined through an Incentive Board, as shown below. The maximum for this incentive is \$1.25M/year.

4. Revise Part Two – Paragraph 6.15.3 in its entirety. The following language is hereby incorporated into the contract:

**6.15.3 CREDIT FOR FAILURE TO MEET THE SMALL AND SMALL
DISADVANTAGED BUSINESS SUBCONTRACTING PARTICIPATION
PLAN**

Beginning 6 months after contract award, the Contractor shall submit a copy of Standard Form 294 (Subcontracting Report for Individual Contracts) and a copy of Standard Form 295 (Summary Contract Report) showing actual amounts of subcontracted dollars to small and small disadvantaged businesses. If the actual amount does not meet the level stated in the approved subcontracting plan, the Government shall be entitled to a reduction on contract price in an amount determined to be equitable under the circumstances by the PCO, provided, however, that the reduction for any single (6-month) assessment period shall not exceed \$625,000.

This reporting requirement shall be passed on to first through third tiers subcontractors (except small business concerns) by the prime Contractor. When submitting the Standard Form 294 and Standard Form 295 to the prime Contractor, the subcontractors shall submit a copy of the reports to the Contracting Officer. These reports, along with the prime Contractor's report, will be used to ensure the actual subcontracting opportunities meet or exceed the approved subcontracting plan.

A CONFORMED COPY OF THE REVISED CONTRACT IS MADE APART OF THIS MODIFICATION AS A RESULT OF THE CHANGES OUTLINED HEREIN.

All other terms and conditions of Contract N00024-00-D-6000 remain unchanged, and in full force and effect.