

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE	PAGE	OF	PAGES
2. AMENDMENT/MODIFICATION NO. 008		3. EFFECTIVE DATE March 29, 2007	4. REQUISITION/PURCHASE REQ. NO. Not applicable		1		6
6. ISSUED BY NASA DRYDEN FLIGHT RESEARCH CENTER PO BOX 273/D-1422/A/ EDWARDS, CA 93523-0273			7. ADMINISTERED BY (If other than Item 6)		5. PROJECT NO. (If applicable)		
8. NAME AND ADDRESS OF CONTRACTOR (No. Street, county, State and ZIP: Code) POTENTIAL OFFERORS				(X)	9A. AMENDMENT OF SOLICITATION NO. NND07154670R		
				X	9B. DATED (SEE ITEM 11) December 19, 2006		
					10A. MODIFICATION OF CONTRACT/ORDER NO.		
					10B. DATED (SEE ITEM 13)		
CODE		FACILITY CODE					

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers is extended, is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning one (1) copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATA 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 data specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

Not applicable

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(X)	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
	D. OTHER Specify type of modification and authority)

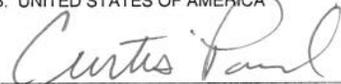
E. **IMPORTANT:** Contractor is not, is required to sign this document and return _____ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

The purpose of Amendment 008 is to:

- (1) Change (i) the Maximum Value to Contract, (ii) delete 5% rate for fixed fee, and (iii) change award fee to fixed fee for Shadow period.
- (2) Extend the due date for receipt of the Total Compensation Plan (TCP), Contract Volume, and the Cost Volume to April 20, 2007. The change is detailed on the following page.
- (3) Publish additional questions and answers. (see Attachment)

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Curtis Paul, Contracting Officer	
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA BY  (Signature of Contracting Officer)	16C. DATE SIGNED 3/29/07
(Signature of person authorized to sign)			

1. Under Provision B.2, “MINIMUM/MAXIMUM VALUE OF CONTRACT”, delete the estimated costs and replace it with the following:

<u>Period Covered</u>	<u>Minimum Estimated Cost</u>	<u>Maximum Estimated Cost</u>
Core Period	\$2,000,000	\$100,000,000
Individual Award Term Year	\$500,000	\$25,000,000

2. Under Provision G.15(d), “AWARD FEE FOR SERVICE CONTRACTS”, delete the paragraph and replace it with the following:

(d) Administration: The application of the award fee or award term incentives will depend on the contract year. The Award Terms can be earned in Contract Years 2 through 7. During Contract Years 8, 9, and 10; the contract will be Award Fee. The contract will use a Fixed Fee during Contract Years 1 through 7 instead of the Award Fee incentive.

- (1) Award Fee. In the Award Fee years, the evaluation will be used to determine the amount of award fee earned by the contractor for each 6 month period. The amount of the award fee pool will be negotiated based on the hourly Award Fee Rates incorporated into the contract as Attachment 10 entitled “Award/Fixed Fee — Hourly Rates.” For purposes of establishing the award fee pools, the parties will agree to the mix and number of direct labor hours for each task order; this mix of labor will not be binding on the contractor during performance. However, the award fee pool for any order shall not exceed the limits specified in FAR 15.404-4(c)(4) for CPFF contracts.
- (2) Award Term. In the Award Term years, the award term evaluation will be completed on an annual basis. The annual evaluation will consist of two successive 6-month “interim” evaluations that will be jointly considered for a “final” annual rating. The annual rating will be used as the basis for any award term decision. At the conclusion of contract year two, the final annual adjectival rating must be a “Very Good” or above for the Contractor to receive an additional contract term (extension of contract period). For the evaluation periods at the end of years 3-7, the final annual adjectival rating must be an “Excellent” for the Contractor to receive additional contract terms. During the shadow year and the years that the award term provisions are in affect, the Award Fee pool amount will revert to a Fixed Fee amount based on fee rates using “TBP” of the estimated costs in the Services Contract Line Items. As with the award fee pool, the fixed fee will be established for each task order based on the rates in Attachment 10.

3. Under Provision L.21(d)(1), “DUE DATE FOR RECEIPT OF PROPOSALS”, delete the table and replace it with the following:

VOLUME	PROPOSAL VOLUME/SECTION REQUIRED	DATE AND TIME
I.	Contract Volume Completed Sections B through K of schedule and SF33	April 20, 2007 3:30 PM (PST)
II.	Mission Suitability Volume (Including all written plans except Total Compensation Plan)	March 9, 2007 3:30 PM (PST)
	Total Compensation Plan (TCP)	April 20, 2007 3:30 PM (PST)
III.	Past Performance Volume	March 9, 2007 3:30 PM (PST)
	Past Performance Questionnaires	March 9, 2007 3:30 PM (PST)
IV.	Cost Proposal	April 20, 2007 3:30 PM (PST)

Any cost proposal already submitted may be withdrawn and replaced, or revised at the discretion of the offeror.

4. Under Provision L.25(c)(vi), "Award/Fixed Fee Pool" delete the first paragraph and replace it with the following:

- (vi) Award/Fixed Fee Pool: For the years that Award Fee is applicable, it is the Government's intent to designate 100% of the available fee pool for award fee. There will be no base fee as described in FAR 16.405-2. For the shadow period and the Award Term years, the Award Fee pool amount will revert to a Fixed Fee. Offerors shall propose hourly fee rates on Attachment 10 to the contract entitled "Award/Fixed Fee — Hourly Rates", which will be incorporated into the contract and used in establishing the award/fixed fee pool(s) for each order under the contract. Identify separately the rate percentage used to determine the award fee rates and the fixed fee rates.

No other changes to this solicitation are made by issuance of this amendment.

Post-RFP Issuance Questions and Answers

Q70. Reference: (1) RFP Section L.21(d)(1), as Amended, (2) RFP Section L.23(c)(2), (3) Title 10, Subtitle A, Part IV, Chapter 137, §2306a

Question: Reference (1) above requires the Mission Suitability Volume be submitted no later than March 9, 2007 and the Cost Volume must be submitted two weeks later on March 23, 2007. Reference (2) requires the offeror to "submit a total compensation plan for all proposed labor categories, including compensation, benefit packages, and leave programs. The offeror shall ensure that all the information required by FAR 52.222-46 and NFS 1852.231-71 is included in the plan."

Material aspects of the cost volume, such as specific salary data, must be included in the compensation plan. Even this close to submittal of the Mission Suitability Volume, we continue to receive input regarding salary data. It is quite possible we will receive updated salary information during that two week period. Truth in negotiations regulations prohibit us from using data that are known to be outdated [Reference (3)].

Given the above circumstances, will the Government allow changes to the data submitted in the Total Compensation Plan to be identified at the time the Cost Volume is submitted (even though minor), without penalty to our Mission Suitability score?

A70a. This answer is provided to supplement the answer provided in Amendment 6. Question Q70 of Amendment 6 references Title 10, Subtitle A, Part IV, Chapter 137, §2306a and states, in part, "Truth in negotiations regulations prohibit us from using data that are known to be outdated." Paragraph 10.U.S.C. 2306a (b)(1)(A)(i) generally prohibits submission of certified cost or pricing data for acquisition in which the price is based on adequate price competition, as is the case for this acquisition. Therefore, the answer to question Q70 should have clarified that this acquisition is an exception to the requirements of the Truth in Negotiations Act. For this reason, offerors have been instructed to submit information other than cost or pricing data (refer to Section L.25(a) of the solicitation) as defined in Section 2.101 of the FAR. The rest of the answer to question Q70 is unchanged.

Q71. Reference: Amendment 007 - Section G.15 (d), page 4; Section G.15 (f), page 5; Section G.16, Award Term Schedule table, page 6; Section L.25(c), table indicating period of performance, pages 7-8 and Direct Costs table, page 8

Subject: Designation of Award Fee Years vs. Award Term Years

Background: The Government defines Award Term years in the Award Fee/Award Term Plan in Section G.15 and indicates that during Award Term years the Award Fee pool will revert to a Fixed Fee of 5% of estimated costs. However, it is unclear which years in the period of performance the Government is defining as Award Term years versus Award Fee years. The Government seems to designate years 1, 8, 9, and 10 as Award Fee years and years 2-7 as Award Term years on page 4 of Section G.15. However, sections G.16 and L.25 referenced above seem to designate years 1-4 as Award Fee years and years 5-10 as Award Term years.

Question: Based on the information provided in Amendment 007, we understand the definition of Award Fee years and Award Term years as shown in the table below. Is this table consistent with the Government's intended definition of Award Fee and Award Term years?

Evaluation Period	Designation	Contract Type	Fee Percentage	Award Term Available
Year 1	Award Fee	CPAF	TBD	N/A
Year 2	Award Fee	CPAF	TBD	Year 5
Year 3	Award Fee	CPAF	TBD	Year 6
Year 4	Award Fee	CPAF	TBD	Year 7
Year 5	Award Term	CPFF	5%	Year 8
Year 6	Award Term	CPFF	5%	Year 9
Year 7	Award Term	CPFF	5%	Year 10
Year 8	Award Term	CPFF	5%	N/A
Year 9	Award Term	CPFF	5%	N/A
Year 10	Award Term	CPFF	5%	N/A

A71. This amendment made a change to the shadow period by converting it from award fee to fixed fee. Based on that change, the only award fee years would be Contract Years 8 thru 10. The remaining years would have a fixed fee. The years that an award term can be earned are Contract Years 2 thru 7. In no contract year would it be possible to earn both an award fee and an award term incentive. More information on Award Term can be obtained on the NASA Award Term webpage at <http://ec.msfc.nasa.gov/hq/library/awardterm/>. The following schedule replaces the Award Term Schedule presented with Amendment 7.

	Contract Year	Evaluation Period	Evaluation to Determine	Monetary Fee	Fee Percentage
Contract Base Period	Year 1 (Shadow Period)	1	N/A	Fixed Fee	TBD
		2			
	Year 2	3	Award Term for Year 5	Fixed Fee	TBD
		4			
	Year 3	5	Award Term for Year 6	Fixed Fee	TBD
		6			
	Year 4	7	Award Term for Year 7	Fixed Fee	TBD
		8			
Available Award Term Years	Year 5	9	Award Term for Year 8	Fixed Fee	TBD
		10			
	Year 6	11	Award Term for Year 9	Fixed Fee	TBD
		12			
	Year 7	13	Award Term for Year 10	Fixed Fee	TBD
		14			
	Year 8	15	Award Fee	Award Fee	TBD
		16	Award Fee		
	Year 9	17	Award Fee	Award Fee	TBD
		18	Award Fee		
	Year 10	19	Award Fee	Award Fee	TBD
		20	Award Fee		

Q72. Reference: Amendment 007 - Section B.2 - Minimum/Maximum Value of Contract, page 2

Subject: Maximum Estimated Cost of Individual Award Term Years

Background: The Government has set a maximum cost ceiling for each award term year of the contract at \$15,000,000. However, the ceiling set does not seem to be inclusive of escalation for labor and non-labor items in the out-years of the contract.

Question: Will the Government please advise how the evaluation criteria will be affected if the award term years exceed the \$15,000,000 ceiling in the out-years of the contract?

A72. We have changed the “Maximum Estimated Cost of Individual Award Term Years” in this amendment from \$15M to \$25M to accommodate the escalation of costs in the later years of the contract.

Q73. Question: Based on the lay-out of the ETS contract, the period of performance could be potentially be 10 years in duration. This possible extended period across several years could put the Government at risk of incurring negative cost impacts and unfavorable contract performance due to varying escalation percentage rates for both labor and non-labor items.

Will the Government consider including an equitable adjustment clause in the ETS contract of plus or minus 0.5% of the proposed escalation rate percentages?

A73. No. The estimated cost will ultimately be based on the negotiated estimated costs of the task orders. We anticipate risks associated with inflation over the 10 years of the contract will be minimized because the negotiation of the task order estimated costs will be accomplished during, or slightly before, the year of performance.