



**BROAD AGENCY ANNOUNCEMENT (BAA)
FOR THE ACQUISITION RESEARCH PROGRAM AT THE
NAVAL POSTGRADUATE SCHOOL**

INTRODUCTION:

This publication constitutes a Broad Agency Announcement (BAA) as contemplated in Federal Acquisition Regulation (FAR) 6.102(d)(2) and the Department of Defense Grants and Agreements (DoDGARS) Subpart 22.315(a). A formal Request for Proposals (RFP), solicitation, and/or additional information regarding this announcement will not be issued. Neither the Naval Postgraduate School (NPS) nor the Contracting Office (Fleet and Industrial Supply Center-San Diego (FISC-SD)) will issue paper copies of this announcement.

Interested parties are responsible to check GRANT.GOV (www.grant.gov) or <http://www.nps.edu/Research/WorkingWithNPS.html> for possible amendments to this BAA.

The NPS reserves the right to select for award all, some, or none of the proposals in response to this announcement. The NPS reserves the right to fund all, some or none of the proposals received under this BAA. NPS provides no funding for direct reimbursement of proposal development costs. Technical and cost proposals (or any other material) submitted in response to this BAA will not be returned. It is the policy of NPS and FISCSD to treat all proposals as sensitive competitive information and to disclose their contents only for the purposes of evaluation.

I. GENERAL INFORMATION

1. Requiring Agency:

Naval Postgraduate School

2. Research Opportunity Title:

Acquisition Research at the Naval Postgraduate School

3. Program Name –

Not applicable

4. Research Opportunity Number -

NPS BAA-08-004

5. Response Date – This announcement will remain open until 4:00 PDST 13 June 2008. Proposals received after this time will not be considered for award.

6. Research Opportunity Description –

This BAA's primary objective is to attract outstanding researchers and scholars to investigate topics of interest to the defense acquisition community. The program solicits innovative proposals for defense acquisition management and policy research to be conducted during fiscal year (FY) 2009 (1 Oct 08 -30 Sep 09).

In this BAA, the phrase “defense acquisition management and policy research” refers to investigations in all disciplines, fields, and domains that (1) are involved in the acquisition of products and/or services for national defense, or (2) could potentially be brought to bear to improve defense acquisition. It includes but is not limited to economics, finance, financial management, information systems, organization theory, operations management, human resources management, and marketing, as well as the “traditional” acquisition areas such as contracting, program/project management, logistics, and systems engineering management. These topics are listed for guidance only.

Evidence of Progress/Deliverables:

- Awardees must demonstrate evidence of progress via quarterly progress reports in the case of grants, or deliverables in the case of contracts,.
- Awardees must agree to deliver completed technical reports to the Technical Point of Contact listed below not later than 30 days after completion of the period of performance. Technical report preparation instructions are provided at www.acquisitionresearch.org.
- Awardees must agree to present their research findings at the Naval Postgraduate School's Annual Acquisition Research Symposium (www.researchsymposium.org) held in May of each year in Monterey, CA. FY2009 awardees may elect to present their findings at either the May 2009 or May 2010 symposia (dates to be announced), depending on the anticipated progress of their research efforts.

7. Point(s) of Contact –

Questions of a technical nature shall be directed to the Technical Point of Contact:

Dr. Keith Snider
Graduate School of Business and Public Policy
Naval Postgraduate School
Code GB/Sk
555 Dyer Road
831-656-3621 (voice)
831-656-3407 (fax)
ksnider@nps.edu

Questions of a business nature shall be directed to the Contract Specialist at FISC-San Diego:

Janet Dang
Contract Specialist
Fleet Industrial Supply Center-San Diego
Code: 230
Seal Beach Detachment
800 Seal Beach Blvd.
B-239
Seal Beach, CA 90740-5000
562-626-7683 (voice)
562-626-7877 (fax)
janet.dang@navy.mil

or

Danielle Kuska
Director, Research and Sponsored Programs Office
Naval Postgraduate School
Code 91
Halligan Hall, Room 222
Monterey, CA 93940-5138
dkuska@nps.edu

8. Instrument Type(s) -

Awards may take the form of contracts, grants or cooperative agreements, as appropriate.

9. Catalog of Federal Domestic Assistance (CFDA) Numbers -

12.300

10. Catalog of Federal Domestic Assistance (CFDA) Titles -

DoD Basic and Applied Scientific Research

11. Other Information -

This program is targeted in particular to U.S. universities or other research institutions outside the Department of Defense.

II. AWARD INFORMATION

The Government anticipates making multiple awards up to \$110,000 each for a basic research period of twelve months. The awards will take the form of contracts, grants and/or cooperative agreements. NPS plans to complete proposal evaluations and notify awardees in September 2008.

III. ELIGIBILITY INFORMATION

All responsible sources from academia and industry may submit proposals under this BAA. Historically Black Colleges and Universities (HBCUs) and Minority Institutions (MIs) are encouraged to submit proposals and join others in submitting proposals. However, no portion of this BAA will be set aside for HBCU and MI participation.

U. S. government schools of higher education are not eligible to receive awards under this BAA and should not directly submit full proposals in response to this BAA. If any such organization is interested in the program described herein, the organization should contact the technical POC to discuss its area of interest. The technical POC is Keith Snider, ksnider@nps.edu.

IV. APPLICATION AND SUBMISSION INFORMATION

1. Application and Submission Process –

An individual wishing to apply for an award must submit a research proposal that covers a period not exceeding twelve months. Individuals wishing to apply must also submit a supporting letter through the appropriate institutional official (i.e., the applicant's Department Chairperson, Dean, or other official who speaks for the institution regarding support for and commitment to acquisition research). (Awards are made to institutions, not to individuals.) The research proposal shall follow the format described under the "Proposal Preparation" section below.

The supporting letter should state whether or not the applicant holds a tenure track position or a permanent position with the institution. If the institution does not designate any appointments as tenure track, the letter should state whether or not, and if so when, the applicant will be considered for a permanent appointment.

2. Content and Format of Research Proposals –

A technical and cost proposal, to include cost/price breakdown, is required, along with biographical information or curriculum vita of each applicant.

The technical proposal must include the following:

- Concise (approximately 200 words) abstract of the proposed research effort.
- Description of the proposed work in sufficient detail for evaluation, including the scientific background, objective, and technical approach for each proposed task. Appropriate references to the scientific literature should be cited.
- Indication of whether the research results will be presented at the May 2009 or the May 2010 Acquisition Research Symposium (see para. I.6. above).
- Indication of how the proposed research may be coordinated with other research efforts and
- Indication of how the proposed research may serve as a catalyst for a longer-term program of acquisition-related research.

The cost proposal shall provide sufficient detail for meaningful evaluation, including cost element break-out.

- Direct Labor – Individual labor category or person, with associated labor hours and unburdened direct labor rates.
- Indirect Costs - Fringe Benefits, Overhead, G&A, COM, etc. (Must show base amount and rate) Note: In accordance with Section 8115 of the Department of Defense Appropriations Act, 2008 (P.L. 110-116). It is important to note that the 35% limitation is not a cap on a grantee's or contractor's indirect cost rate. Instead, limits the amount of indirect cost that can be paid on a contract or grant to 35% on the total amount of the award. See attachment 2 for DoD guidance on Indirect Cost Limitation for Basic Research Awards and Explanatory supplement from the Office of Naval Research.
- Travel – Number of trips, destination, duration, etc. (Travel budget will include trip to the Acquisition Research Symposium.)
- Subcontract – A cost proposal as detailed as the Offeror's cost proposal will be required to be submitted by the subcontractor. The subcontractor's or subrecipients cost proposal can be provided in a sealed envelope with the Offeror's cost proposal or will be requested from the subcontractor at a later date
- Consultant – Provide consultant agreement or other document which verifies the proposed loaded daily/hourly rate
- Materials should be specifically itemized with costs or estimated costs. An explanation of any estimating factors, including their derivation and application, shall be provided. Include a brief description of the Offeror's procurement method to be used (Competition, engineering estimate, market survey, etc.)
- Other Directs Costs, particularly any proposed items of equipment or facilities. Equipment and facilities generally must be furnished by the contractor/recipient. (Justifications must be provided when Government funding for such items is sought). Include a brief description of the Offeror's procurement method to be used (Competition, engineering estimate, market survey, etc.)
- Proposed fee/profit (for contract proposals only)

Biographical information or curriculum vita of each applicant should address the following:

- List of publications, professional activities, patents, honors, awards and other accomplishments.
- Information describing any specific acquisition-related research and/or experience of investigator(s).
- Description of involvement in other research projects currently undertaken by the applicant, whether or not acting as a principal investigator.
- Description of other pending research proposals (title, amount, where pending), including other agencies receiving this proposal.

Page Limitations:

- The technical proposal, including all information, appendices, and attachments, shall not exceed ten (10) pages (double-spaced). Pages in excess of this limitation will not be considered by the government.
- Cost proposals and biographical/vita sections have no limitations; however, offerors are requested to keep these sections under five (5) pages each (single-spaced).

The Proposals submitted under this BAA are expected to be unclassified. Offerors are expected to appropriately mark any page of their submission that contains proprietary information.

Assertion of Data Rights and/or Rights in Computer Software: For a contract award an Offeror may provide with its proposal assertions to restrict use, release or disclosure of data and/or computer software that will be provided in the course of contract performance. The rules governing these assertions are prescribed in Defense Federal Acquisition Regulation Supplement (DFARS) clauses 252.227-7013, -7014 and -7017. These clauses may be accessed at the following web address:

<http://farsite.hill.af.mil/VDFDARA.HTM>

The Government may challenge assertions that are provided in improper format or that do not properly acknowledge earlier federal funding of related research by the Offeror.

- **Evidence of progress: Applicable for grants only; this does not apply to contract instruments.** A detailed description of the results and evidence of progress expected through the grant inclusive of the timeframe in which it will be delivered.
- **Deliverables: Applicable for contracts only; this does not apply to grant instruments.** A detailed description of the results and products to be delivered inclusive of the timeframe in which it will be delivered.

3. Significant Dates and Times –

This announcement will remain open until 4:00 pm PDST 13 June 2008. Proposals received after this time will not be considered for award.

4. Submission of Late Proposals –

Not applicable (N/A)

5. Submission of Proposals

Paper (“hard copy”) or faxed submissions will not be considered for award. E-mailed proposals must be provided as attached documents in either .pdf or MS Office-compatible format (e.g., Word, Excel).

Grant proposals may be submitted through Grants.gov or by e-mail to the Technical POC at NPS, email: ksnider@nps.edu. Regardless of whether Grants.gov or e-mail submission is used, the offeror must use the Grants.gov forms from the application package template associated with the BAA on the Grants.gov website.

For electronic submission, there are several one-time actions that must be completed in order to submit an application through Grants.gov (e.g., obtain a Dun and Bradstreet Data Universal Numbering System (DUNS) number, register with the Central Contract Registry (CCR), register with the credential provider, and register with Grants.gov). See www.grants.gov, specifically www.grants.gov/GetStarted.

Use the Grants.gov Organization Registration Checklist at <http://www.grants.gov/assets/OrganizationRegCheck..doc> http://www.grants.gov/applicants/register_your_organization.jsp which will provide guidance through the process. Designating an E-Business Point of Contact (EBiz POC) and obtaining a special password called 'MPIN' are important steps in the CCR registration process. Applicants who are not registered with CCR and Grants.gov, should allow at least 21 days to complete these requirements. It is suggested that the process be started as soon as possible. Additionally, in order to download the application package, applicants will need to install PureEdgeViewer. This small, free program will allow applicants to access, complete and submit applications electronically and securely. For a free version of the software, visit the following website: www.grants.gov/DownloadViewer. If any questions that may arise relating to the registration process, system requirements, how an application form works, or the submittal process must be directed to Grants.gov at 1-800-518-4726 or support@grants.gov.

6. Address for the Electronic Submission of Proposals

E-mail submissions must be addressed to the Technical POC at NPS, email: ksnider@nps.edu

V. EVALUATION INFORMATION

1. Evaluation Criteria –

Award decisions will be based on competitive selection of proposals through a peer and/or technical and scientific review and business decision process with technical and scientific considerations being most important. Criteria 1 and 2 are of equal importance and more important than criterion 3. The sub criteria listed under each particular criterion are of equal importance.

1. Overall scientific and technical merits of the proposal
 - a. Knowledge and familiarity with DoD acquisition
 - b. Compatibility of research questions with acquisition topics of interest
 - c. Thoroughness, clarity and parsimony of the proposal
 - d. Feasibility of research design/technical concept
 - e. Potential impact of research results
 - f. Publication potential of research results
2. Offeror's capabilities, related experience, and past performance, including the qualifications, capabilities and experience of the proposed principal investigator and assistant personnel.
 - a. The quality of technical personnel proposed;
 - b. The Offeror's experience in relevant efforts with similar resources
 - c. The ability to manage the proposed effort
3. The realism of the proposed cost.

2. Evaluation Panel -

Technical and cost proposals submitted under this BAA will be protected from unauthorized disclosure in accordance with FAR 3.104-5 and 15.207. The cognizant NPS Principal Investigator and other technical experts drawn from Government,

industry or academe will perform the evaluation of technical proposals. Cost proposals will be evaluated by Government business professionals. Restrictive notices notwithstanding, one or more support contractors may be utilized as subject-matter-expert technical consultants. Similarly, support contractors may be utilized to evaluate cost proposals. However, proposal selection and award decisions are solely the responsibility of Government personnel. Each support contractor's employee having access to technical and cost proposals submitted in response to this BAA will be required to sign a non-disclosure statement prior to receipt of any proposal submissions.

VI. AWARD ADMINISTRATION INFORMATION

1. Administrative Requirements –

- The North American Industry Classification System (NAICS) code – The North American Industry Classification System (NAICS) code for this announcement is 541710 with a small business size standard of 8731.
- CCR - Successful Offerors not already registered in the Central Contractor Registry(CCR) will be required to register in CCR prior to award of any grant, contract, cooperative agreement, or other transaction agreement. Information on CCR registration is available at <http://www.ccr.gov>.
- Certifications – Proposals for contracts and assistance agreements over \$100,000 should be accompanied by a completed lobbying certification, which can be accessed at <http://www.osec.doc.gov/forms/pdf/cd511fil.pdf> .
- Contracts - For contracts, in accordance with FAR 4.1201, prospective contractors shall complete electronic annual representations and certifications at <http://orca.bpn.gov>. In addition to completing the Online Representations and Certifications Application (ORCA), proposals must be accompanied with a completed DFARS and contract specific representations and certification in Section K, see Attachment I.
- Assistance Agreements (Grant and Cooperative Agreement Proposals): Grant awards greater than \$100,000 requires a certification of compliance with a national policy mandate concerning lobbying.” Grant and other assistance applicants may provide this certification in one of two (2) ways:
 - 1) By signing and submitting the Standard Form (SF) 424 (R&R) as a part of the electronic grant proposal submission (complete Blocks 18 and 19);
 - 2) By electronic submission of SF424 (R&R) as a part of an electronic proposal submitted via Grants.gov (complete Blocks 18 and 19);

2. Reporting - Quarterly progress reports and a final technical report shall be submitted for each award. Technical report preparation instructions are provided at www.acquisitionresearch.org.

VII. OTHER INFORMATION

1. Government Property/Government Furnished Equipment (GFE) and Facilities

Each proposer must provide a very specific description of any equipment/hardware that it needs to acquire to perform the work. This description should indicate whether or not each particular piece of equipment/hardware will be included as part of a deliverable item under the resulting award. Also, this description should identify the component, nomenclature, and configuration of the equipment/hardware that it proposes to purchase for this effort. The purchase on a direct reimbursement basis of special test equipment or other equipment that is not included in a deliverable item will be evaluated for allowability on a case-by-case basis. Maximum use of Government integration, test, and experiment facilities is encouraged in each of the Offeror's proposals.

Government research facilities and operational military units are available and should be considered as potential government-furnished equipment/facilities. These facilities and resources are of high value and some are in constant demand by multiple programs. It is unlikely that all facilities would be used for any one specific program. The use of these facilities and resources will be negotiated as the program unfolds. Offerors should explain as part of their proposals which of these facilities are critical for the project's success.

2. Security Classification

In order to facilitate intra-program collaboration and technology transfer, the Government will attempt to enable technology developers to work at the unclassified level to the maximum extent possible. If access to classified material will be required at any point during performance, the Offeror must clearly identify such need prominently in its proposal.

3. Use of Human Subjects in Research

Proposals for research involving human subjects the Offeror must submit prior to award: documentation of approval from an Institutional Review Board (IRB); IRB-approved informed consent form; IRB-approved research protocol; an executive summary of planned research (one-half to one page in length); proof of completed human research training (e.g., training certificate, institutional verification of training, etc.); an application for a DoD Navy Addendum to the Offeror's DHHS-issued Federal Wide Assurance (FWA) or the Offeror's DoD Navy Addendum number. The forms for assurance applications can be found at http://www.hhs.gov/ohrp/assurances/assurances_index.html/ If the research is determined by the IRB to be greater than minimal risk, the Offeror also must provide the name and contact information for the independent medical monitor. [Note: for research involving human subjects that is greater than minimal risk, administrative procedures to protect human subjects from medical expenses (not otherwise provided or reimbursed) that are the direct result of participation in a research project must be addressed.

4. Recombinant DNA

Proposals which call for experiments using recombinant DNA must include documentation of compliance with Department of Human and Health Services (DHHS) recombinant DNA regulations, approval of the Institutional Biosafety Committee (IBC), and copies of the DHHS Approval of the IBC letter.

5. Department of Defense High Performance Computing Program

The DoD High Performance Computing Program (HPCMP) furnishes the DoD S & T and DT & E communities with use-access to very powerful high performance computing systems. Awardees of FISC contracts, grants, and assistance instruments may be eligible to use HPCMP assets in support of their funded activities if Technical Program Officer approval is obtained and if security/screening requirements are favorably completed. Additional information and an application may be found at <http://www.hpcmo.hpc.mil/>.

6. Protection of Proprietary and Sensitive Information

The parties acknowledge that, during performance of the contract or grant agreement resulting from this BAA, the recipient may require access to certain proprietary and confidential information (whether in its original or derived form) submitted to or produced by the Government. Such information includes, but is not limited to, business practices, proposals, designs, mission or operation concepts, sketches, management policies, cost and operating expense, technical data and trade secrets, proposed Navy budgetary information, and acquisition planning or acquisition actions, obtained either directly or indirectly as a result of the effort performed on behalf of NPS. The recipient shall take appropriate steps not only to safeguard such information, but also to prevent disclosure of such information to any party other than the Government. The recipient agrees to indoctrinate company personnel who will have access to or custody of the information concerning the nature of the confidential terms under which the Government received such information and shall stress that the information shall not be disclosed to any other party or to recipient personnel who do not need to know the contents thereof for the performance of the contract/agreement. Recipient personnel shall also be informed that they shall not engage in any other action, venture, or employment wherein this information will be used for any purpose by any other party.

7. Use of Animals and Human Subjects in Research

If animals are to be utilized in the research effort proposed, the Offeror must complete a DOD Animal Use Protocol with supporting documentation (copies of AALAC accreditation and/or NIH assurance, IACUC approval, research literature database searches, and the two most recent USDA inspection reports) prior to award.

Proposals for research involving human subjects the Offeror must submit prior to award: documentation of approval from an Institutional Review Board (IRB); IRB-approved

informed consent form; IRB-approved research protocol; an executive summary of planned research (one-half to one page in length); proof of completed human research training (e.g., training certificate, institutional verification of training, etc.); an application for a DoD Navy Addendum to the Offeror's DHHS-issued Federal Wide Assurance (FWA) or the Offeror's DoD Navy Addendum number. The forms for assurance applications can be found at

http://www.hhs.gov/ohrp/assurances/assurances_index.html/ If the research is determined by the IRB to be greater than minimal risk, the Offeror also must provide the name and contact information for the independent medical monitor. [Note: for research involving human subjects that is greater than minimal risk, administrative procedures to protect human subjects from medical expenses (not otherwise provided or reimbursed) that are the direct result of participation in a research project must be addressed.

ATTACHMENT 1:

CONTRACTS AND GRANTS

CERTIFICATION REGARDING LOBBYING (proposals greater than \$100,000)

Applicants must review the requirements for certification regarding lobbying included in the regulations cited below before completing this form. Applicants must sign this form to comply with the certification requirements under 34 CFR Part 82, "New Restrictions on Lobbying." This certification is a material representation of fact upon which the Fleet & Industrial Supply Center relies when it makes a grant or enters into a cooperative agreement.

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 34 CFR Part 82, for persons entering into a Federal contract, grant or cooperative agreement over \$100,000, as defined at 34 CFR Part 82, Sections 82.105 and 82.110, the applicant certifies that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, 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 in connection with the making of any Federal grant, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal grant or cooperative agreement;

(b) If any funds other than 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 in connection with this Federal grant or cooperative agreement, the undersigned shall complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;

(c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subgrants and contracts under grants and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above certification.

NAME OF APPLICANT PROJECT NAME	PR/AWARD NUMBER AND / OR
PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE	
SIGNATURE	DATE

(Note: Section K is applicable to Contracts only)

SECTION K -REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS (R&D Contracts)

NAME OF OFFEROR _____
(Firm or Organization)

OFFEROR DUNS NUMBER _____

Proposal Title _____

Proposal Number and/or Date _____

The above referenced proposal was submitted in response to: The NPS Broad Agency Announcement (BAA) #08-004 for Acquisition Research Program at The Naval Postgraduate School

K.1 FAR 52.215-20 -REQUIREMENTS FOR COST OR PRICING DATA OR\ INFORMATION OTHER THAN COST OR PRICING DATA (OCT 1997)

(a) *Exceptions from cost or pricing data.*

(1) In lieu of submitting cost or pricing data, offerors may submit a written request for exception by submitting the information described in the following subparagraphs. The Contracting Officer may require additional supporting information, but only to the extent necessary to determine whether an exception should be granted, and whether the price is fair and reasonable.

(i) *Identification of the law or regulation establishing the price offered.* If the price is controlled under law by periodic rulings, reviews, or similar actions of a governmental body, attach a copy of the controlling document, unless it was previously submitted to the contracting office.

(ii) *Commercial item exception.* For a commercial item exception, the offeror shall submit, at minimum, information on prices at which the same item or similar items have previously been sold in the commercial market that is adequate for evaluating the reasonableness of the price for this acquisition. Such information may include -

(A) For catalog items, a copy of or identification of the catalog and its date, or the appropriate pages for the offered items, or a statement that the catalog is on file in the buying office to which the proposal is being submitted. Provide a copy or describe current discount policies and price lists (published or unpublished), *e.g.*, wholesale,

original equipment manufacturer, or reseller. Also explain the basis of each offered price and its relationship to the established catalog price, including how the proposed price relates to the price of recent sales in quantities similar to the proposed quantities;

(B) For market-priced items, the source and date or period of the market quotation or other basis for market price, the base amount, and applicable discounts. In addition, describe the nature of the market;

(C) For items included on an active Federal Supply Service Multiple Award Schedule contract, proof that an exception has been granted for the schedule item.

(2) The offeror grants the Contracting Officer or an authorized representative the right to examine, at any time before award, books, records, documents, or other directly pertinent records to verify any request for an exception under this provision, and the reasonableness of price. For items priced using catalog or market prices, or law or regulation, access does not extend to cost or profit information or other data relevant solely to the offeror's determination of the prices to be offered in the catalog or marketplace.

(b) *Requirements for cost or pricing data.* If the offeror is not granted an exception from the requirement to submit cost or pricing data, the following applies:

(1) The offeror shall prepare and submit cost or pricing data and supporting attachments in accordance with Table 15-2 of FAR 15.408.

(2) As soon as practicable after agreement on price, but before contract award (except for unpriced actions such as letter contracts), the offeror shall submit a Certificate of Current Cost or Pricing Data, as prescribed by FAR 15.406-2.

K.2 FAR 52.230-1 COST ACCOUNTING STANDARDS NOTICES AND CERTIFICATION (JUN 2000)

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

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

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

I. Disclosure Statement--Cost Accounting Practices and Certification

(a) Any contract in excess of \$500,000 resulting from this solicitation will be subject to the requirements of the Cost Accounting Standards Board (48 CFR Chapter 99), except for those contracts which are exempt as specified in 48 CFR 9903.201-1.

(b) Any offeror submitting a proposal which, if accepted, will result in a contract subject to the requirements of 48 CFR Chapter 99 must, as a condition of contracting,

submit a Disclosure Statement as required by 48 CFR 9903.202. When required, the Disclosure Statement must be submitted as a part of the offeror's proposal under this solicitation unless the offeror has already submitted a Disclosure Statement disclosing the practices used in connection with the pricing of this proposal. If an applicable Disclosure Statement has already been submitted, the offeror may satisfy the requirement for submission by providing the information requested in paragraph (c) of Part I of this provision.

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

(c) Check the appropriate box below:

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

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

(ii) One copy to the cognizant Federal auditor.

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

Date of Disclosure Statement:

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

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

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

Date of Disclosure
Statement: _____

Name and Address of Cognizant ACO or Federal Official

Where Filed: _____

The offeror further certifies that the practices used in estimating costs in pricing this

proposal is consistent with the cost accounting practices disclosed in the applicable Disclosure Statement.

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

(4) Certificate of Interim Exemption. The offeror hereby certifies that (i) the offeror first exceeded the monetary exemption for disclosure, as defined in (3) of this subsection, in the cost accounting period immediately preceding the period in which this offer was submitted and

(ii) in accordance with 48 CFR 9903.202-1, the offeror is not yet required to submit a Disclosure Statement. The offeror further certifies that if an award resulting from this proposal has not been made within 90 days after the end of that period, the offeror will immediately submit a revised

certificate to the Contracting Officer, in the form specified under subparagraph (c) (1) or (c) (2) of Part I of this provision, as appropriate, to verify submission of a completed Disclosure Statement.

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

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

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

The offeror hereby claims an exemption from the Cost Accounting Standards clause under the provisions of 48 CFR 9903.201-2(b) and certifies that the offeror is eligible for use of the Disclosure and Consistency of Cost Accounting Practices clause because during the cost accounting period immediately preceding the period in which this proposal was submitted, the offeror received less than \$50 million in awards of CAS-covered prime contracts and subcontracts, or the offeror did not receive a single CAS-covered award exceeding \$1 million. The offeror further certifies that if such status changes before an award resulting from this proposal, the offeror will advise the Contracting Officer immediately.

Caution: An offeror may not claim the above eligibility for modified

contract coverage if this proposal is expected to result in the award of a CAS-covered contract of \$50 million or more or if, during its current cost accounting period, the offeror has been awarded a single CAS-covered prime contract or subcontract of \$50 million or more.

III. Additional Cost Accounting Standards Applicable to Existing Contracts

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

YES NO

ALTERNATE I (APR 1996)

(5) Certificate of Disclosure Statement Due Date by Educational Institution. If the offeror is an educational institution that, under the transition provisions of 48 CFR 9903.2021(f), is or will be required to submit a Disclosure Statement after receipt of this award, the offeror hereby certifies that (**check one and complete**):

(i) A Disclosure Statement Filing Due Date of _____ has been established with the cognizant Federal agency.

(ii) The Disclosure Statement will be submitted within the 6-month period ending _____ months after receipt of this award.

Date of Disclosure Statement:

_____ Name and Address of
Cognizant ACO or Federal Official:

_____ Where Disclosure Statement is Filed:

K.3 DFARS 252.215-7003 EXCESSIVE PASS-THROUGH CHARGES – IDENTIFICATION OF SUBCONTRACT EFFORT (APR 2007)

(a) Definition. “Excessive pass-through charge,” as used in this provision, is defined in the clause of this solicitation entitled “Excessive Pass-Through Charges” (DFARS 252.215-7004).

(b) General. The offeror’s proposal shall exclude excessive pass-through charges.

(c) Performance of work by the Contractor or a subcontractor.

(1) The offeror shall identify in its proposal the percent of effort it intends to

perform, and the percent expected to be performed by each subcontractor, under the contract, task order, or delivery order.

(2) If the offeror intends to subcontract more than 70 percent of the total cost of work to be performed under the contract, task order, or delivery order, the offeror shall identify in its proposal—

(i) The amount of the offeror's indirect costs and profit applicable to the work to be performed by the subcontractor(s); and

(ii) A description of the value added by the offeror as related to the work to be performed by the subcontractor(s).

(3) If any subcontractor proposed under the contract, task order, or delivery order intends to subcontract to a lower-tier subcontractor more than 70 percent of the total cost of work to be performed under its subcontract, the offeror shall identify in its proposal—

(i) The amount of the subcontractor's indirect costs and profit applicable to the work to be performed by the lower-tier subcontractor(s); and

(ii) A description of the value added by the subcontractor as related to the work to be performed by the lower-tier subcontractor(s).

(End of provision)

K.4 DFARS 252.227-7028 TECHNICAL DATA OR COMPUTER SOFTWARE PREVIOUSLY DELIVERED TO THE GOVERNMENT (JUN 1995)

The Offeror shall attach to its offer an identification of all documents or other media incorporating technical data or computer software it intends to deliver under this contract with other than unlimited rights that are identical or substantially similar to documents or other media that the Offeror has produced for, delivered to, or is obligated to deliver to the Government under any contract or subcontract. The attachment shall identify—

(a) The contract number under which the data or software were produced;

(b) The contract number under which, and the name and address of the organization to whom, the data or software were most recently delivered or will be delivered; and

(c) Any limitations on the Government's rights to use or disclose the data or software, including, when applicable, identification of the earliest date the limitations expire.

(End of provision)

K.5 Standard Form-LLL, "Disclosure of Lobbying Activities" which can be retrieved at

<http://www.gsa.gov/Portal/gsa/ep/formslibrary.do?viewType=DETAIL&formId=E0F5394ACA9DDC4085256A3E005C7420>

If applicable in accordance with subparagraph (b) (2) of provision 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (Found in ORCA), Standard Form-LLL has been completed in accordance with its instructions and is returned herewith.

SIGNATURE

By signature hereto, or to an offer incorporating these representations and certifications, the offeror certifies that they are accurate, current, and complete and that he is aware of the penalty prescribed in 18 U.S.C. 1001 for making false statement in offers.

Date

Name of Contractor

Authorized Signature

Typed or Printed Name

ATTACHMENT 2:

FY 2008 DoD Appropriation Act 35% Limitation on Payment of Indirect Costs

Section 8115 of the Fiscal Year 2008 Department of Defense Appropriation Act placed a 35% limit on payment of indirect costs under contracts, grants, cooperative agreements and similar agreements awarded using FY 2008 basic research (6.1) funds. The limitation applies only to awards entered into after the date of enactment of the Act (14 November 2007) using FY 08 funds provided by the Act.

The following is provided as clarification to Program Officers, Contracting Officers and Grant Officers to guide their interactions with potential awardees that may be impacted by Section 8115 of the Act.

By memorandum dated 1 December 2007, the Undersecretary of Defense (AT&L) issued guidance on implementation of the Act. The following are the key elements of that guidance with regard to ONR's implementation:

- The limitation on payment of indirect costs applies to all types of 6.1 funded awards, i.e., contracts, grants, cooperative agreements, etc. to any non-Federal entity or awardee. For ONR this means universities, both large and small commercial firms and other non-profit organizations are potentially impacted.
- The limitation on payment of indirect costs applies to prime awards only and **does not** flow down to subcontracts or subgrants.
- The limitation applies to "new" awards funded by FY08 basic research funds. For ONR this means new awards and expansions to existing awards if the new award or expansion is issued on or after 14 November 2007.
- A provision must be placed in each new award using FY 08 basic research funds issued on or after 14 November 2007 requiring compliance with Section 8115 of the DoD Appropriation Act for FY08. ONR Acquisition developed a set of provisions for contracts, grants, etc. meeting these criteria.

The 35% limit on payment of indirect costs is not an indirect cost rate. Instead, it is a limit on the ratio of indirect costs to the total cost of an award; e.g. 35 cents on a dollar. Thus, by dividing the total indirect costs by the total amount of the award we can determine whether the 35% limitation is breached.

Indirect cost rates are negotiated by the government with contractors, grantees and other non-Federal performers who receive funds from the government. The indirect cost rate is a methodology for allocating allowable costs that cannot be readily estimated and charged directly to Federal and non-Federal awards.

University indirect cost rates (referred to as Facility and Administrative rates by regulation) are applied to a restricted set of direct costs (referred to as Modified Total Direct Costs or MTDC) to arrive at the dollar amount of indirect cost applicable to a specific contract, grant or agreement. Included in the MTDC are salaries and wages, fringe benefits, materials and supplies, travel and the first \$25K of each subgrant of subcontract. Excluded from the MTDC are equipment, capital expenditures, tuition remission (paid to graduate research assistants in lieu of salary), rental costs, scholarships and fellowships, patient care costs and the portion of each subgrant of subcontract in excess of \$25K. Bottom line, if a university cost proposal contains more MTDC exclusions there is less likelihood of exceeding the 35% limitation despite the fact that the negotiated indirect cost rate may be substantially higher than 35%.

Indirect cost rates for commercial firms and other non-profit organizations are substantially different in how they are applied. The total amount of indirect costs for a commercial concern or other non-profit organization may consist elements referred to as indirect costs or overhead, general and administrative costs, material overhead, subcontract overhead, etc. or any combination of the above. The BD25 will ultimately determine whether the total amount of indirect cost beaches the limitation. In some cases, the ONR Indirect Cost Branch, BD242, and or the Defense Contract Auditor Agency may be consulted in determining the total amount of indirect costs being proposed. Program Officers are encouraged to contact the Contracting Officer or Grants Officer if questions arise regarding the limitation on payment of indirect costs.

Link to Section 8115 of the DoD Appropriation Act:

http://www.dod.mil/ddre/doc/LABS_Memo_indirect_cost_limitation.pdf