

NEW AND REVISED PROVISIONS AND CLAUSES
Covering changes that have occurred after release of the March 2011 version of the PGI
(from PAB 2011-04 and onward)

Provision/Clause Number and Title
(Click on the provision/clause number to see the full text)

- 7.3.2-15** **Mission Capability – Proposal Instructions (March 2011)**
- 7.3.2-11** **Pricing Proposal (Firm-Fixed-Price) (April 2011)**
- 7.3.2-12** **Pricing Proposal (Time-and-Material or Labor Hour)(April 2011)**
- 7.3.2-22** **Evaluation of Pricing (April 2011)**
- 7.3.2-74** **Volume Rebate (April 2011)**
- 7.5.6-5** **Subcontracting Plan Compliance (March 2011)**
- 7.5.6-6** **Evaluation of Subcontracting Plan (March 2011)**

Full text versions of the provisions/clauses are on the following pages

NEW AND REVISED PROVISIONS AND CLAUSES
Covering changes that have occurred after release of the March 2011 version of the PGI
(from PAB 2011-04 and onward)
BELOW ARE FULL TEXT VERSIONS OF THE PROVISIONS & CLAUSES

7.3.2-11 Pricing Proposal (Firm-Fixed-Price) (April 2011)

Prescription:

Per PGI 3.112 or 3.218, insert provision 7.3.2-11, *Pricing Proposal (Firm-Fixed-Price)*, in solicitations that will result in firm fixed priced contracts. For RBOAs, include the version of paragraph (a) that includes volume rebate proposal instructions. For awards greater than \$1,000,000, include paragraph (d).

Provision:

Offerors shall submit an original and one (1) copy of the Pricing Proposal. (No page limitation.)

(a) Pricing Schedule. Offerors shall complete and submit the Pricing Schedule provided as Attachment ____ to this solicitation. Instructions for completing the Pricing Schedule are provided in Attachment ____.

[INCLUDE THE FOLLOWING PARAGRAPH (a) IN ALL RBOAs.]

(a) Pricing Schedule and Volume Rebate. Offerors shall complete and submit the Pricing Schedule provided as Attachment ____ to this solicitation. Instructions for completing the Pricing Schedule are provided in Attachment _____. Offerors shall also provide in the Pricing Proposal a rebate percentage for each Tier level above the Base Tier level, as specified in clause 7.3.2-74 Volume Rebate.

[IF TRAVEL COSTS WILL NOT BE REIMBURSED, USE THE FOLLOWING PARAGRAPH (b)]:

(b) Travel costs will not be reimbursed separately; factor travel costs into the firm fixed price you propose.

[IF TRAVEL COSTS WILL BE REIMBURSED, USE THE FOLLOWING PARAGRAPH (b)]:

(b) Travel costs will be reimbursed in accordance with FDIC Contractor Travel Reimbursement Guidelines found at <http://www.fdic.gov/buying/goods/acquisition/index.html>. If the Contractor must be in the Washington, D.C., area overnight, the Contractor is required to stay at the Seidman Center providing space is available. If space is not available the Contracting Officer will authorize the contractor to obtain alternate lodging. For

NEW AND REVISED PROVISIONS AND CLAUSES

Covering changes that have occurred after release of the March 2011 version of the PGI
(from PAB 2011-04 and onward)

reimbursement, the Contractor must submit written evidence regarding the unavailability of lodging at the Seidman Center with their invoice.

(c) Sales Tax Exemption. FDIC is a Federal Government corporation and is exempt from State sales tax. Therefore, it is not required to pay sales tax on invoices submitted to it and, if included, the amounts will be deducted from the total amount invoiced.

[INCLUDE THE FOLLOWING FOR CONTRACTS OF \$1,000,000 OR MORE.]

(d) Bank Reference & Certified Financial Statements. Offerors must provide a bank reference together with a certified Balance Sheet and Income Statement prepared by an independent auditor for the offeror, or an acceptable equivalent, for the current and preceding two (2) fiscal years. If the offeror cannot provide these statements, explain why, and provide other suitable proof of the offeror's financial responsibility.

(Ref.-PAB 2011-05)

7.3.2-12 Pricing Proposal (Time-and-Material or Labor Hour) (April 2011)

Prescription:

Per PGI 3.112 or 3.218, insert provision 7.3.2-12 *Pricing Proposal (Time-and-Material or Labor Hour)*, in solicitations for time-and-material or labor hour contracts. For RBOAs, include the version of paragraph (a) that includes volume rebate proposal instructions. For awards greater than \$1,000,000, include subparagraph (f).

Provision:

Offerors shall submit an original and one (1) copy of the Pricing Proposal. (No page limitation.)

(a) Pricing Schedule. Offerors shall complete and submit the Pricing Schedule provided as Attachment ___ to this solicitation. Instructions for completing the Pricing Schedule are provided in Attachment ____.

[INCLUDE THE FOLLOWING PARAGRAPH (a) IN ALL RBOAs.]

(a) Pricing Schedule and Volume Rebate. Offerors shall complete and submit the Pricing Schedule provided as Attachment ___ to this solicitation. Instructions for completing the Pricing Schedule are provided in Attachment _____. Offerors shall also provide in the Pricing Proposal a rebate percentage for each Tier level above the Base Tier level, as specified in clause 7.3.2-74 Volume Rebate.

NEW AND REVISED PROVISIONS AND CLAUSES
Covering changes that have occurred after release of the March 2011 version of the PGI
(from PAB 2011-04 and onward)

[IF SUBCONTRACTING IS NOT PERMITTED, INCLUDE THE FOLLOWING PARAGRAPH (b)]:

(b) Subcontracting is not permitted under this solicitation.

[IF SUBCONTRACTING IS PERMITTED, WITH SUBCONTRACTOR MARKUP, INCLUDE THE FOLLOWING PARAGRAPH (b)]:

(b) Offeror must identify the markup rate the prime contractor has applied to each subcontractor labor category. Offeror must justify the reasonableness of the subcontractor markup rate(s).

[IF SUBCONTRACTING IS PERMITTED, BUT SUBCONTRACTOR MARKUP IS NOT PERMITTED, INCLUDE THE FOLLOWING PARAGRAPH (b)]:

(b) Subcontracting is permitted under this solicitation; however, markup of the subcontractor labor rates by the prime contractor is not permitted.

(c) For the purpose of proposing on-site and off-site labor rates, the following definitions apply:

(1) On-site - a contractor is working on-site if the major portion of the work activity, measured in labor hours, is performed at or in a facility controlled by FDIC. For these purposes, "controlled" includes facilities owned, leased, rented or occupied by the FDIC, for the purpose of doing business in its corporate, conservatorship, or receivership capacities. For the portion of the work that the Contractor performs at or in a facility controlled by FDIC, FDIC will allow Contractor to utilize standard and existing FDIC equipment and material, including but not limited to computer hardware and software.

(2) Off-site - a contractor is working off-site if the major portion of the work activity, measured in labor hours, is performed at a facility other than one controlled by the FDIC (as defined above), in which the Contractor furnishes any and all materials needed to perform the work, including ,but not limited to, computer hardware and software. FDIC may decide to supply contractor with software to be used in which case no cost or fee will be charged to the contractor. No other fees, costs, or expenses must be paid to a contractor working off-site other than the labor hour rate, unless specifically set forth in this contract.

(d) If the contract includes reimbursable travel, and the Contractor must be in the Washington, D.C., area overnight, the Contractor is required to stay at the Seidman Center providing space is available. If space is not available the Contracting Officer will authorize the contractor to obtain alternate lodging. For

NEW AND REVISED PROVISIONS AND CLAUSES

Covering changes that have occurred after release of the March 2011 version of the PGI
(from PAB 2011-04 and onward)

reimbursement, the Contractor must submit written evidence regarding the unavailability of lodging at the Seidman Center with their invoice.

(e) Sales Tax Exemption. FDIC is a Federal Government corporation and is exempt from State sales tax. Therefore, it is not required to pay sales tax on invoices submitted to it and if included, the amounts will be deducted from the total amount invoiced.

[INCLUDE THE FOLLOWING FOR CONTRACTS OF \$1,000,000 OR MORE.]

(f) References/Financials.

Offerors must provide a bank reference together with a certified Balance Sheet and Income Statement prepared by an independent auditor, or an acceptable equivalent, for the current and preceding two (2) fiscal years. If the offeror cannot provide these statements, explain why, and provide other suitable proof of the offeror's financial responsibility.

(Ref.-PAB 2011-05)

7.3.2-15 Mission Capability - Proposal Instructions (March 2011)

Prescription:

Per PGI 3.112 and PGI 3.218, insert provision 7.3.2-15, *Mission Capability - Proposal Instructions*, in solicitations when mission capability will be evaluated. Include paragraphs (b), (c), and/or (d), when applicable.

Provision:

(a) The Mission Capability Volume must include the information described below. Do not include any pricing information in this volume. Offerors must submit an original and _____ () copies of the Mission Capability Volume. The Mission Capability Volume should be specific and complete. Legibility, clarity and coherence are very important. Your responses will be evaluated against the Mission Capability rating criteria defined in the provision of this solicitation *Evaluation of Mission Capability*. Using the instructions provided below, provide as specifically as possible the actual methodology you would use for accomplishing/satisfying these subfactors. Do not merely reiterate the objective or reformulate the requirements specified in the solicitation.

The proposal must address the following:

- Subfactor 1. (For example Management Plan) (_____ page maximum)
- Subfactor 2. (For example Technical Approach) (_____ page maximum)
- Subfactor 3. (For example Key Personnel)(_____ page maximum)

NEW AND REVISED PROVISIONS AND CLAUSES

Covering changes that have occurred after release of the March 2011 version of the PGI
(from PAB 2011-04 and onward)

[USE ONE OF THE VERSIONS OF (b) BELOW IF FDIC INFORMATION MAY BE PROCESSED OR STORED OFF-SITE IN A NON-FDIC FACILITY (E.G. CONTRACTOR PERSONNEL WORK FROM THEIR COMPANY OFFICE OR A SERVICE PROVIDER PROCESSES FDIC DATA AT THEIR LOCATION).

- IT SECURITY PLAN: USE THIS VERSION OF (b) WHEN THE INFORMATION MAY BE BOTH ELECTRONIC AND PAPER FORM.

- PHYSICAL/ENVIRONMENTAL SECURITY PLAN: USE THIS VERSION OF (b) WHEN THE INFORMATION WILL BE PAPER FORM ONLY.]

(b) IT Security Plan.

The offeror must provide an IT Security Plan as a separate section of the Mission Capability volume. The IT Security Plan must describe the controls, processes, procedures and training of personnel that the Contractor will follow to ensure appropriate security of FDIC information. A template to assist with the format and documentation requirements of the IT Security Plan is available at the FDIC website:

(www.fdic.gov/buying/goods/acquisition/index.html). In lieu of using the template, the offeror may modify and submit its existing IT Security Plan, provided the modified Plan accommodates the requirements of the FDIC. Also, in place of an IT Security Plan, the Contractor may provide a copy of any information technology-based, independent security audit or review covering the systems on which and the facilities where FDIC information will be processed and stored. Examples would include a "Statement on Auditing Standards No. 70 Type II (SAS 70 Type II)" or "International Organization for Standards/International Electro-technical Commission 17799 Assessment (ISO/IEC 17799)."

(b) Physical/Environmental Security Plan.

The offeror must provide a Physical/Environmental Security Plan as a separate section of the Mission Capability volume. The Physical/Environmental Security Plan must describe the controls, processes, procedures and training of personnel that the Contractor will follow to ensure appropriate security of FDIC information. A template to assist with the format and documentation requirements of the Physical/Environmental Security Plan is available at the FDIC website:

(www.fdic.gov/buying/goods/acquisition/index.html). The template document on this website is entitled "IT Security Plan Template". However, the offeror must complete only the cover page, index, executive summary, and Section 2.1.6, Physical and Environmental Protection (PE). In lieu of using the template, the offeror may modify and submit its existing Physical/Environmental Security Plan, provided the modified Plan accommodates the requirements of the FDIC. Also, in place of a Physical/Environmental Security Plan, the Contractor may provide a copy of any independent security audit or review covering the systems on which and the facilities where FDIC information will be processed and stored. Examples would include a "Statement on Auditing Standards No. 70 Type II (SAS 70 Type II)" or "International Organization for Standards/International

NEW AND REVISED PROVISIONS AND CLAUSES

Covering changes that have occurred after release of the March 2011 version of the PGI
(from PAB 2011-04 and onward)

Electro-technical Commission 17799 Assessment (ISO/IEC 17799).”

[USE (c) BELOW IF SUBCONTRACTING IS PERMITTED.]

(c) Subcontracting Plan. The offeror must provide a subcontracting plan for any portion of the work proposed to be subcontracted. Offerors are encouraged to subcontract with Minority or Woman Owned Business (MWOBs) and Small Disadvantaged Business (SDBs).

The subcontracting plan must provide at least the following;

- (1) Name, address and Dun and Bradstreet Number (DUNS) of the subcontractor;
- (2) Summary of capabilities of the subcontractor;
- (3) Description of roles of Key Personnel of the subcontractor;
- (4) Estimated percentage of work to be performed by the subcontractor;
- (5) Description of work to be performed by the subcontractor;
- (6) Minority or Woman Owned Business (MWOB) designation of the subcontractor, i.e., Women-Owned, Minority-Owned. If Minority-Owned, also provide the subcontractor’s ethnic/racial category from the following list:
 - Asian-Pacific American
 - Subcontinent Asian (Asian-Indian) American
 - Black American
 - Hispanic American
 - Native American
 - Other than one of the preceding
- (7) SDB certification, if any, of subcontractor; and
- (8) Provide your rationale and a policy for subcontracting on this contract, including how you will meet your proposed subcontracting commitments. Include information on efforts undertaken by the Contractor to include subcontractors that are minority-owned, women-owned or small disadvantaged businesses.

(Note: Do NOT include any labor rates in the Subcontracting Plan. Estimated compensation to the subcontractor, including detailed information concerning labor categories and labor rates, must be included in the Pricing Volume.)

[INCLUDE (d) BELOW AS A SEPARATE PARAGRAPH UNDER THIS SECTION IF THIS IS A FOLLOW-ON/RE-COMPETE CONTRACT]

(d) If the offeror proposes to hire any incumbent key personnel, the offeror must include a copy of the incumbent personnel’s resume and a letter of commitment from the individual. Do not include any pricing information (e.g., proposed salary, etc.) in the letter of commitment.

(Ref.-PAB 2010-02, PAB 2010-06 & PAB 2011-04)

NEW AND REVISED PROVISIONS AND CLAUSES

Covering changes that have occurred after release of the March 2011 version of the PGI
(from PAB 2011-04 and onward)

7.3.2-22 Evaluation of Pricing (April 2011)

Prescription:

Per PGI 3.112 or PGI 3.218, insert provision 7.3.2-22, *Evaluation of Pricing*, in all solicitations. The provision may be tailored by the Contracting Officer to accommodate the contract type and pricing arrangement. For RBOAs, the Contracting Officer must provide weights for the volume rebate tier levels, for evaluation purposes.

Provision:

Price proposals will be evaluated with respect to completeness, reasonableness, and realism. The Contracting Officer may also evaluate the Overall Evaluated Price (OEP) for each offeror.

Completeness. Offerors must submit their proposed prices in accordance with the Pricing Schedule. Offerors must submit fully loaded labor rates. Offers failing to propose a price for all mandatory labor categories may receive no further consideration and may be eliminated.

Reasonableness. FDIC will evaluate prices for labor rates using one or more of the following techniques.

- (a) Comparing the proposed prices to those of other offerors.
- (b) Comparing the proposed prices to FDIC's independent estimate and those in other FDIC contracts.
- (c) Comparing the proposed prices to the prices in the company's GSA Schedule or commercial price list.

Prices that are extreme (high or low) may be judged unreasonable.

Realism. Labor rates that do not reflect a reasonable compensation for the skill required in a labor category will be considered unrealistic.

Overall Evaluated Price (OEP): The OEP will be computed based on the total of the following:

- (a) The offeror's proposed labor rates for each labor category multiplied by the number of labor hours.
- (b) The FDIC-reimbursed travel costs.

[INCLUDE THE FOLLOWING PARAGRAPH IN ALL RBOAs. CONTRACTING OFFICERS MUST ASSIGN WEIGHTS FOR EACH TIER AND THE TOTAL OF ALL TIERS MUST AMOUNT TO 100%.]

NEW AND REVISED PROVISIONS AND CLAUSES

Covering changes that have occurred after release of the March 2011 version of the PGI (from PAB 2011-04 and onward)

Volume Rebate: For evaluation purposes only, the following weights have been assigned to the revenue tiers specified in clause 7.3.2-74 Volume Rebate. For Tiers 1 and above, FDIC will multiply the mid-range dollar amount of each tier times its assigned weight, and then multiply the results times the offeror’s proposed percentage.

<u>Revenue Tiers</u>	Weight
Base Tier:	_____ % (fill-in)
Tier 1:	_____ % (fill-in)
Tier 2:	_____ % (fill-in)
Tier 3:	_____ % (fill-in)
Tier 4:	_____ % (fill-in)
Tier 5:	_____ % (fill-in)

(Ref.-PAB 2011-05)

7.3.2-74 Volume Rebate (April 2011)

Prescription:

Insert clause 7.3.2-74 *Volume Rebate* in all RBOAs. The Contracting Officer shall provide fill-in information prior to issuing the solicitation. In the award document(s), the Contracting Officer shall add the negotiated rebate percentages to this clause. The number of tiers and the dollar ranges of the tiers are established at the discretion of the Contracting Officer.)

Clause:

A pricing range of \$0 to \$_____ (fill-in) represents FDIC’s best current estimate as to the dollar amount of work that will generate across all Task Orders annually throughout the RBOA period (including all option periods), and is designated the Base Tier range. The annual 12 month period for this RBOA runs from _____ (fill-in date) to _____ (fill-in date). If, in any annual 12 month period, the Contractor performs work across all Task Orders that amounts to more than the maximum limit of the Base Tier range, a rebate shall be paid by the Contractor to FDIC.

The following revenue tiers apply to this RBOA:

<u>Revenue Tiers</u>	Rebate Percentage
Base Tier: \$ 0 to \$_____ (fill-in)	0.0%
Tier 1: \$ _____ to \$_____ (fill-in)	* %

NEW AND REVISED PROVISIONS AND CLAUSES

Covering changes that have occurred after release of the March 2011 version of the PGI
(from PAB 2011-04 and onward)

Tier 2:	\$ _____	to \$ _____	(fill-in)	* %
Tier 3:	\$ _____	to \$ _____	(fill-in)	* %
Tier 4:	\$ _____	to \$ _____	(fill-in)	* %
Tier 5:	\$ _____	to \$ _____	(fill-in)	* %

* Instructions for proposing rebate percentages are contained in provisions 7.3.2-11 and/or 7.3.2-12. Negotiated percentages will be included in this clause in the award document.

The rebate amount shall be calculated by summing the dollar amounts of all work performed (including that of subcontractors and any pass-through costs) during the annual 12 month period and multiplying it by the rebate percentage designated for the revenue tier range that contains the dollar amount of work performed. For example; assume the dollar amount of all work performed during a 12 month period is \$35,800,000; Tier 3 has a range of \$30,000,001 to \$40M; and the rebate percentage for Tier 3 is 5.0%. The amount of the rebate due FDIC is \$1.79M calculated as follows: (\$35.8M X 5.0% = \$1.79M)

No later than 60 days after the end of the annual 12 month period, the Contractor must submit to the Contracting Officer documentation identifying the dollar amounts of all work performed during the annual 12 month period. The documentation must identify dollar amounts applicable to each Task Order, and totaled at the RBOA level. Failure of the Contractor to include all dollar amounts for work performed during the annual 12 month period shall result in a recalculation of the rebate due FDIC. Rebates shall be paid annually by check made payable to FDIC and are due 90 days after the end of the annual 12 month period. In the event the rebate is not paid by the required due date or the Contractor fails to include dollar amounts for all work performed, FDIC may take other actions to obtain the rebate, such as offsetting other payments due the Contractor on any outstanding invoices.

(Ref.-PAB 2011-05)

7.5.6-5 Subcontracting Plan Compliance (March 2011)

Prescription:

Per PGI 5.605, insert clause 7.5.6-5, *Subcontracting Plan Compliance*, in awards where a Subcontracting Plan is required.

Clause:

The Subcontracting Plan is a material part of the contract and compliance with the Subcontracting Plan is extremely important, especially as it applies to

NEW AND REVISED PROVISIONS AND CLAUSES

Covering changes that have occurred after release of the March 2011 version of the PGI
(from PAB 2011-04 and onward)

subcontractors that are women-owned, minority-owned and small disadvantaged businesses. The Contractor's failure to comply with and make progress under the Subcontracting Plan may be considered a breach of contract. In addition, failure to achieve the stated subcontracting goals may result in the issuance of a cure notice or show cause letter for purposes of termination for default and/or have a negative and adverse impact on the Contractor's past performance record to be considered during proposal evaluation on future solicitations. FDIC will monitor the performance of the Contractor, including a review of the payments to subcontractors, to ensure appropriate efforts are being made to comply with the Subcontracting Plan.

(Ref.-PAB 2011-04)

7.5.6-6 Evaluation of Subcontracting Plan (March 2011)

Prescription:

Per PGI 5.604, insert provision 7.5.6-6, *Evaluation of Subcontracting Plan*, in solicitations when a Subcontracting Plan is required.

Provision:

The FDIC will evaluate the Contractor's Subcontracting plan and proposed subcontractors, considering the following:

- (1) The adequacy of the proposed rationale for subcontracting, including information on efforts undertaken by the Contractor to include subcontractors that are minority-owned, women-owned or small disadvantaged businesses.
- (2) The appropriateness of the proposed level of subcontracting for the requirements of the contract (that is, logically balanced on a technical basis).
- (3) The appropriateness of the subcontractor's qualifications, resources and capabilities for the complexity of the work.

(Ref.-PAB 2011-04)
