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March 18, 2005

Mitchell, Jessen, & Associates

To: Mitchell, Jessen, & Associates

Subject: Letter Contract for Project

This document constitutes a Letter Contract, as identified under Federal Acquisition Regulation (FAR) 16.603, and signifies the Government's intention to negotiate and definitize a formal contract agreement with Mitchell, Jessen, & Associates (herein after referred to as the Contractor), in accordance with the Government Statement of Work, entitled DCI's Counterterrorist Center (CTC) Elicitation and Training for CTC "ETC", dated 14 February 2005 and other applicable documents.

Effective 02 March 2005, you are authorized to proceed with the tasks identified in the Statement of Work. The period of performance for this effort is 02 March 2005 through 01 March 2006 base plus four (4) one year option periods.

52.216-23 Execution and Commencement of Work (APR 1984) (MODIFIED)

The Contractor shall indicate acceptance of this letter contract by signing three copies of the contract and returning two of them to the Contracting Officer not later than 22 March 2005. As outlined in the Confirmation of Verbal Authorization to Proceed Letter and upon acceptance by both parties, the Contractor shall continue to proceed with performance of the work, including purchase of necessary materials.

52.216-24 Limitation of Government Liability (APR 1984)

- (a) In performing this contract, the Contractor is not authorized to make expenditures or incur obligations exceeding \$1,183,785 as outlined attached spreadsheet dated 16 March 2005.
- (b) The maximum amount for which the government shall be liable if this contract is terminated is \$1,183,785.

52.216-25 Contract Definitization (OCT 1997) (Modified)

- (a) A Firm Fixed Price Level-of-Effort definitive contract is contemplated. The Contractor agrees to begin promptly negotiating with the Contracting Officer the terms of a definitive contract that will include (1) all clauses required by the Federal Acquisition Regulation (FAR) on the date of execution of the letter contract, (2) all clauses required by law on the date of execution of the definitive contract, and (3) any other mutually agreeable clauses, terms and conditions.

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(b) The schedule for definitizing this contract is:

Negotiations	30 April 2005 to 15 May 2005
Definitization	01 June 2005

(c) If agreement on a definitive contract to supersede this letter contract is not reached by the target date in paragraph (b) of this section, or within any extension of it granted by the Contracting Officer, the Contracting Officer may, with the approval of the head of the contracting activity determine a reasonable price or fee in accordance with Subpart 15.4 and Part 31 of the FAR, subject to Contractor appeal as provided in the Disputes clause. In any event, the Contractor shall proceed with completion of the contract, subject only to the Limitation of Government Liability clause.

(1) After the Contracting Officer's determination of price or fee, the contract shall be governed by -

- (i) All clauses required by the FAR on the date of execution of this letter contract for either fixed-price or cost-reimbursement contracts, as determined by the Contracting Officer under this paragraph (c);
- (ii) All clauses required by law as of the date of the Contracting Officer's determination; and
- (iii) Any other clauses, terms, and conditions mutually agreed upon.

(2) To the extent consistent with subparagraph (c)(1) of this section, all clauses, terms and conditions included in this letter contract shall continue in effect, except those that by their nature apply only to a letter contract.

In addition thereto and in compliance with the regulation cited above, the following provisions are hereby incorporated by reference.

<u>Clause No.</u>	<u>Text Reference</u>	<u>Title</u>
52.216-26	16.603-4(c)	Payments of Allowable Costs Before Definitization. (DEC 2002)

Note: The first sentence of paragraph (c) of this clause is revised to read as follows: "(c) *Invoicing.* Payment shall be made promptly to the Contractor when requested as work progresses, but not more often than every month, in amounts approved by the Contracting Officer "

152.204-700 Security Requirements - Contract Classification (JUL 1997)

The association of the Sponsor with the Contractor is classified **CONFIDENTIAL**. The work to be performed is classified **TOP SECRET**, reports are classified **TOP SECRET**, and hardware is **N/A**. This classified information shall be divulged only on a need to know basis, and then only to those who have been authorized in writing by the Contracting Officer. Correspondence originated by the contractor and/or data to be submitted, the contents of which contain classified information shall be stamped by you with the classification, as appropriate.

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The CONTRACT DATA CLASSIFICATION GUIDE (CDCG) was previously provided and is incorporated into this contract. The CDCG is not all inclusive, but serves as a guide in connection with Contractor handling of classified materials.

152.204-701 Security Requirements - General (SEP 2004)

(a) Contracting Officer's Security Representatives (COSR) are the designated representatives of the Contracting Officer and derive their authorities directly from the Contracting Officer. They are responsible for certifying the Contractor's capability for handling classified material and ensuring that customer security policies and procedures are met. The COSR is the focal point for the Contractor, Contracting Officer, and COTR regarding security issues. The COSR cannot initiate any course of action that may alter the terms of the contract. The COSR for this contract is _____ and can be reached on _____

(b) The provisions of this clause shall apply to the extent that any aspect of this contract is classified.

(c) The Contractor is obligated to comply with all relevant clauses and provisions incorporated into this contract and with the "Contractor Secrecy and Security Agreement", Form 4177, and as referenced therein, the "National Industrial Security Program Operating Manual (NISPOM)" dated January 1995, and all applicable Sponsor security policies and procedures, including Director of Central Intelligence Directives (DCID). The contractor shall maintain a security program that meets the requirements of these documents.

(d) Security requirements are a material condition of this contract. This contract shall be subject to immediate termination for default, without the requirement for a 10-day cure notice, when it has been determined by the Contracting Officer that a failure to fully comply with the security requirements of this contract resulted from the willful misconduct or lack of good faith on the part of any one of the Contractor's directors or officers, or on the part of any of the managers, superintendents, or equivalent representatives of the Contractor who have supervision or direction of:

- (1) All or substantially all of the Contractor's business, or
- (2) All or substantially all of the Contractor's operations at any one plant or separate location in which this contract is being performed, or
- (3) A separate and complete major industrial operation in connection with the performance of this contract.

(e) When deficiencies in the Contractor's security program are noted which do not warrant immediate default, the Contractor shall be provided a written notice of the deficiencies and be given a period of 90 days in which to take corrective action. If the Contractor fails to take the necessary corrective action, the Contracting Officer may terminate the whole or any part of this contract for default. The Contractor shall maintain and administer, in accordance with all relevant clauses and provisions set forth or incorporated into this contract, a security program that meets the requirements of these documents.

(f) When it is deemed necessary to disclose classified information to a Subcontractor in order to accomplish the purposes of this contract, the Contractor shall request permission of the Contracting

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Officer prior to such disclosure. The Contractor agrees to include in all subcontracts all appropriate security provisions pertaining to this contract.

(g) Classification Authority -- Executive Order 13292 dated 28 March 2003, "Further Amendment to Executive Order 12958, as Amended, Classified National Security Information" and implementation directives, provides principles and procedures for the proper classification and declassification of material. These principles and procedures are applicable to classified documents or materials generated by the Contractor in performance of this contract.

(h) Identification and Markings -- The classification of documentation shall comply with the guidelines set forth in Executive Order 13292.

(i) In addition, each classified document shall be stamped or marked in the lower right-hand corner of the first page (or on the inside front cover of bound publications, provided that the overall classification is marked on the outside cover), as follows:

CL BY:
CL REASON:
DECL ON:
DRV FROM:

Declassified On: (Use the declassify date citation from the CDCG.)

Derived From: (Use the classification guidance from the CDCG, i.e., _____, etc.)

(j) Each classified document shall indicate which paragraphs or, other portions, including subjects and titles, are classified and which are unclassified. The symbol "(TS)" for Top Secret, "(S)" for Secret, "(C)" for Confidential, and "(U)" for Unclassified will be placed at the beginning of the text to which it applies. Non-text portions of a document, such as photographs, graphs, charts, and maps, will be marked in a readily discernible manner, as will their captions.

(k) Subjects and titles should be selected so as not to require classification. When a classified subject or title must be used, a short title or other unclassified identifier should be assigned to facilitate receipting and reference, if such an identifier (e.g., a report number or registry number) will not otherwise be assigned.

(l) Downgrading and Declassification -- No classified document or material provided by the Customer, or generated by the Contractor pursuant to the contract, may be downgraded or declassified unless authorized in writing by the Customer's Contracting Officer.

(m) References made to the clause entitled "Non-Publicity" -- Violations of this clause constitute a major breach of contract and the contract may be terminated for default, without the requirement of a 10-day cure notice.

(n) The contractor shall report all contacts described in the NISPOM section 3-Reporting Requirements as promptly as possible, but in no event later than two business days after receipt of such knowledge to the contracting officer or COSR.

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(o) If, subsequent to the date of this contract, the security requirements under this contract are changed by the Government, as provided in this clause, and the security costs or time required for delivery under this contract are thereby increased or decreased, the contract price, delivery schedule, or both, and any other provision of this contract which may be affected shall be subject to an equitable adjustment in accordance with the procedures in the Changes clause of this contract.

152.204-702 Security Requirements - Clearances (SEP 2002)

(a) The Agency only conducts security screening on contractor personnel who are employees of the contractor company at the time the contractor requests a security clearance or access approval. In order to access an Agency facility, the contractor employee must be a U.S. citizen. In order to receive a security clearance or access approval, contractor personnel shall be US citizens and provide the following information for use in the clearance process:

- (1) "Industrial Security Approval or Access Request", Form 4311;
- (2) "Questionnaire for National Security Positions," SF 86; and
- (3) Fair Credit Reporting Act Release form.

The contractor shall plan for expected attrition by advanced preparation and submission of the aforementioned items.

(b) Those contractor personnel needing unescorted access to Government facilities (to include Government automated information systems) and access to sensitive compartmented information (SCI) or information classified at the Top Secret level shall be required to have an Industrial Security Staff Approval/Top Secret (ISSA/TS) security clearance along with any required SCI access approvals. The granting or denial of an ISSA/TS or SCI access approval is based on a comparison of the results of a full field background investigation and full scope polygraph testing against the adjudicative guidelines issued pursuant to Executive Order 12968 or other applicable law or regulation. The adjudicative guidelines have also been adopted as an annex to DCID 6/4 and have been incorporated by reference in . Full scope polygraph examinations cover both counterintelligence (CI) and security issues to include involvement in illegal drug use and criminal activity. Full scope polygraph examinations are an integral part of ISSA/TS security screening.

(c) Those contractor personnel needing access to Top Secret or SCI material but only limited or no access to Government facilities shall be required to have an Industrial Security Approval/Top Secret (ISA/TS) security clearance, along with any required SCI access approval. The granting or denial of an ISA/TS or SCI access approval is based on a comparison of the results of a full field background investigation and CI scope polygraph testing against the adjudicative guidelines issued pursuant to Executive Order 12968; adopted as an annex to DCID 6/4; and incorporated by reference in

(d) Those contractor personnel needing access to Secret material and little or no access to Government facilities shall be required to have an Industrial Security Approval/Secret (ISA/S) security clearance. The granting or denial of an ISA/S is based on a comparison of the results of a more limited inquiry (generally National Agency Checks [NAC], Local Agency Checks [LAC], and credit checks) against

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the adjudicative guidelines issued pursuant to Executive Order 12968 and incorporated by reference in

(e) Those contractor personnel needing unescorted access to Government facilities and who may, as a result, receive inadvertent access to classified material shall be required to have a Facility Access Approval (FAA). The granting or denial of an FAA is based on a comparison of the results of a background investigation and full scope polygraph testing against the adjudicative guidelines issued pursuant to Executive Order 12968 and incorporated by reference in

(f) Four and one-half years from the cleared personnel's last background investigation, the contractor shall resubmit to the Sponsor a complete clearance package to be used to re-investigate such individuals' continued eligibility for security clearance or access approval.

(g) If portions of this work under this contract occur at Government facilities, all Sponsor regulations and procedures that relate to security management shall be adhered to by contractor personnel. In the event that the development of information or material is not clearly covered by the contract or regulations, the contractor is required to seek Government guidance regarding its handling. Any questions that the contractor or contractor personnel may have on the applicability of these requirements shall be addressed to the Contracting Officer's Security Representative.

(h) Only such persons who have been authorized by the Contracting Officer of the Contracting Officer's Technical Representative shall be assigned to this work. In this connection, for identification purposes, the contractor will be required to submit the name, address, place and date of birth of all personnel who will be involved in the work hereunder. Said information will be required not later than three (3) days in advance of the scheduled date of such work.

(i) All contractor personnel who receive a security clearance or access approval under the terms of this contract will be required to execute an Agency specified secrecy agreement and/or nondisclosure agreement.

(j) The Contractor agrees to abide by all applicable Agency security regulations governing personnel, facilities, technical, information systems, communications, and protective programs.

152.204-703 Non-Publicity (DEC 2003)

(a) The Contractor shall not use or allow to be used any aspect of this solicitation and/or contract for publicity. "Publicity" means, but is not limited to, advertising (e.g. trade magazines, newspapers, Internet, radio, television etc.), communications with the media, marketing, or a reference for new business. This shall include, but, is not limited to, the use of the terms "ISSA or ISA" or any other sponsor specific terms in any public advertisements. It is further understood that this obligation shall not expire upon completion or termination of this contract, but will continue indefinitely. The Contractor may request a waiver or release from the foregoing but shall not deviate therefrom unless authorized to do so in writing by the Contracting Officer. Contractors are not required to obtain waivers when informing offices within this Agency of contracts it has performed or is in the process of performing provided there are no security restrictions. Contractors may include the requirement for security clearances up to the TS, SCI level in public employment advertisements.

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(b) The Contractor shall include the substance of this clause, including this paragraph (b), in each subcontract issued under this contract.

152.204-704 Request for Clause Waiver Due to Security Requirements (JUL 1997)

When the Contractor, in performance of the work under this contract, finds the requirements of any of the clauses in this contract to be in conflict with security instructions, the Contractor shall call such conflict to the attention of the Contracting Officer and/or COSR. The Contracting Officer may issue a waiver in writing to:

- (a) modify or rescind such security requirements, or
- (b) waive compliance with such security requirements.

152.204-705 Foreign Ownership, Control, or Influence (SEP 2002)

(a) Notwithstanding the provisions of Section 3 of the NISPOM, the Government intends to secure services or equipment from firms which are not under foreign ownership, control, or influence (FOCI) or where any FOCI may, in the opinion of the Government, adversely impact on security requirements. Notwithstanding the limitation on contracting with an Offeror under FOCI, the Government reserves the right to contract with such Offerors under appropriate arrangements, when it determines that such contracts will be in the best interest of the Government.

(b) Accordingly, all Offerors responding to this RFP or initiating performance of a contract are required to submit a Standard Form (SF) 328, Certificate Pertaining to Foreign Interests (or update a previously submitted SF328), and a Key Management Personnel List (KMPL) with their proposal or prior to contract performance, as appropriate. All SF328s and KMPLs shall be executed at the parent level of an organization. However, the Government reserves the right to request a separate SF328 and KMPL at the level of the company negotiating a contract with the Government, when desired. Offerors are also required to request, collect, and forward to the Government the SF328 from all Subcontractors undertaking classified work under the Offeror's direction and control. Offerors are responsible for the thoroughness and completeness of each Subcontractor's SF328 submission. SF328 entries should specify, where necessary, the identity, nature, degree, and impact of any FOCI on their organization or activities, or the organization or activities of a subcontractor. Additionally, a KMPL must be submitted with each SF328 which identifies senior management by name, position, social security number, date/place of birth, and citizenship status.

(c) The Contractor shall, in any case in which it believes that foreign influence exists or is being sought over its affairs, or the affairs of any Subcontractor, promptly notify the Contracting Officer of all the pertinent facts, even if such influence is not exerted to the degree specified in the NISPOM.

(d) The Contractor shall provide an updated SF328 and KMPL no later than five years from the date as certified on the last submitted SF328. The Contractor shall also promptly disclose to the Contracting Officer any information pertaining to any interest of a FOCI nature in the Contractor or Subcontractor that has developed at any time during the contract's duration or has subsequently come to the Contractor's attention. An updated SF328 is required of the Contractor or any Subcontractor whenever there is a change in response to any of the 10 questions on the SF328.

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(e) The Contractor is responsible for initiating the submission of the SF328 and KMP for all Subcontractors undertaking classified work during the entire period of performance of the contract.

Again, please acknowledge your acceptance of this letter contract by executing and returning the original and one copy of this contract, to the address indicated above, and retain the remaining signed copy for your files.

Should you have any questions concerning the information contained or referenced herein, please do not hesitate to contact _____ at _____ at your earliest convenience.

Very truly yours,

[Redacted signature box]

Chief

ACKNOWLEDGED AND ACCEPTED:

Mitchell, Jessen, & Associates

BY: _____

TITLE: PARTNER

DATE: MARCH 2005

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