

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>		1. CONTRACT ID CODE	PAGE OF PAGES 1 1
2 AMENDMENT/MODIFICATION NO. 0237	3. EFFECTIVE DATE See Block 16C	4 REQUISITION/PURCHASE REQ NO	5. PROJECT NO (if applicable)
6 ISSUED BY NNSA/Nevada Site Office U.S. Department of Energy NNSA/Nevada Site Office P.O. Box 98518 Las Vegas NV 89193-8518	CODE 05002	7. ADMINISTERED BY (if other than Item 6)	CODE
8 NAME AND ADDRESS OF CONTRACTOR (No. street, county, State and ZIP Code) NATIONAL SECURITY TECHNOLOGIES, LLC Attn: SUSAN C. OTIS PO BOX 98521 LAS VEGAS NV 891938521	(x) 9A. AMENDMENT OF SOLICITATION NO.	9B. DATED (SEE ITEM 11)	
CODE 195194779	FACILITY CODE	x 10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC52-06NA25946	10B. DATED (SEE ITEM 13) 03/28/2006

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers  is extended  is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning \_\_\_\_\_ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (if required)

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

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

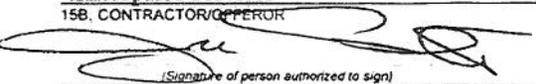
E. IMPORTANT: Contractor  is not  is required to sign this document and return 1 copies to the issuing office.

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

The purpose of this modification is to update several clauses in Part II, Section I, Contract Clauses, and Part III - List of Documents, Exhibits, and Other Attachments, Section J - List of Attachments, Appendix B - Subcontracting Plan, as set forth in Attachment 1.

Period of Performance: 07/01/2006 to 09/30/2016

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

15A. NAME AND TITLE OF SIGNER (Type or print) Jack Stumpf, Director Enterprise Services	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Darby A. Dieterich
15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)	15C. DATE SIGNED 3/5/15
16B. UNITED STATES OF AMERICA  (Signature of Contracting Officer)	16C. DATE SIGNED 3/11/15

I. Part II, Section I, *Contract Clauses*, is modified as follows:

- A. The Table of Contents is modified by deleting the list in its entirety and substituting the Table in Attachment 2 to this modification.
- B. Delete Clause 31-1 , FAR 52.222-6, *Davis Bacon (Jul 2005)* and substitute revised Clause 52.222-6, *Construction Wage Rate Requirements (May 2014)*, as set forth below.

**31-1 FAR 52.222-6 Construction Wage Rate Requirements (May 2014)**

- (a) Definition.—“Site of the work”—
  - (1) Means—
    - (i) *The primary site of the work.* The physical place or places where the construction called for in the contract will remain when work on it is completed; and
    - (ii) *The secondary site of the work, if any.* Any other site where a significant portion of the building or work is constructed, provided that such site is—
      - (A) Located in the United States; and
      - (B) Established specifically for the performance of the contract or project;
  - (2) Except as provided in paragraph (3) of this definition, includes any fabrication plants, mobile factories, batch plants, borrow pits, job headquarters, tool yards, etc., provided—
    - (i) They are dedicated exclusively, or nearly so, to performance of the contract or project; and
    - (ii) They are adjacent or virtually adjacent to the “primary site of the work” as defined in paragraph (a)(1)(i), or the “secondary site of the work” as defined in paragraph (a)(1)(ii) of this definition;
  - (3) Does not include permanent home offices, branch plant establishments, fabrication plants, or tool yards of a Contractor or subcontractor whose locations and continuance in operation are determined wholly without regard to a particular Federal contract or project. In addition, fabrication plants, batch plants, borrow pits, job headquarters, yards, etc., of a commercial or material supplier which are established by a supplier of materials for the project before opening of bids and not on the Project site, are not included in the “site of the work.” Such permanent, previously established facilities are not a part of the “site of the work” even if the operations for a period of time may be dedicated exclusively or nearly so, to the performance of a contract.
- (b) (1) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time

of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, or as may be incorporated for a secondary site of the work, regardless of any contractual relationship which may be alleged to exist between the Contractor and such laborers and mechanics. Any wage determination incorporated for a secondary site of the work shall be effective from the first day on which work under the contract was performed at that site and shall be incorporated without any adjustment in contract price or estimated cost. Laborers employed by the construction Contractor or construction subcontractor that are transporting portions of the building or work between the secondary site of the work and the primary site of the work shall be paid in accordance with the wage determination applicable to the primary site of the work.

- (2) Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Construction Wage Rate Requirements statute on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (e) of this clause; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such period.
  - (3) Such laborers and mechanics shall be paid not less than the appropriate wage rate and fringe benefits in the wage determination for the classification of work actually performed, without regard to skill, except as provided in the clause entitled Apprentices and Trainees. Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein; provided that the employer's payroll records accurately set forth the time spent in each classification in which work is performed.
  - (4) The wage determination (including any additional classifications and wage rates conformed under paragraph (c) of this clause) and the Construction Wage Rate Requirements (Davis-Bacon Act) poster (WH-1321) shall be posted at all times by the Contractor and its subcontractors at the primary site of the work and the secondary site of the work, if any, in a prominent and accessible place where it can be easily seen by the workers.
- (c) (1) The Contracting Officer shall require that any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The Contracting Officer shall approve an additional classification and wage rate and fringe benefits therefor only when all the following criteria have been met:
- (i) The work to be performed by the classification requested is not performed by a classification in the wage determination.
  - (ii) The classification is utilized in the area by the construction industry.
  - (iii) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.
- (2) If the Contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the Contracting Officer agree on the classification

and wage rate (including the amount designated for fringe benefits, where appropriate), a report of the action taken shall be sent by the Contracting Officer to the Administrator of the:

Wage and Hour Division  
Employment Standards Administration  
U.S. Department of Labor  
Washington, DC 20210

The Administrator or an authorized representative will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the Contracting Officer or will notify the Contracting Officer within the 30-day period that additional time is necessary.

- (3) In the event the Contractor, the laborers or mechanics to be employed in the classification, or their representatives, and the Contracting Officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the Contracting Officer shall refer the questions, including the views of all interested parties and the recommendation of the Contracting Officer, to the Administrator of the Wage and Hour Division for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the Contracting Officer or will notify the Contracting Officer within the 30-day period that additional time is necessary.
  - (4) The wage rate (including fringe benefits, where appropriate) determined pursuant to paragraphs (c)(2) and (c)(3) of this clause shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.
- (d) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the Contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.
  - (e) If the Contractor does not make payments to a trustee or other third person, the Contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program; provided, That the Secretary of Labor has found, upon the written request of the Contractor, that the applicable standards of the Construction Wage Rate Requirements statute have been met. The Secretary of Labor may require the Contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

**C. Change the numbering of Clause 40, FAR 52.222-54 *Employment Eligibility Verification* (Aug 2013), to 40-1 and display as follows:**

**40-1 FAR 52.222-54 *Employment Eligibility Verification* (Aug 2013)**

D. Add Clause 40-2, FAR 52.222-55, *Minimum Wages Under Executive Order 13658 (Dec 2014)*, as follows:

**40-2 FAR 52.222-55 Minimum Wages Under Executive Order 13658 (Dec 2014)**

(a) *Definitions.* As used in this clause—

“United States” means the 50 states and the District of Columbia.

“Worker” –

- (1) Means any person engaged in performing work on, or in connection with, a contract covered by Executive Order 13658, and
    - (i) Whose wages under such contract are governed by the Fair Labor Standards Act (29 U.S.C. chapter 8), the Service Contract Labor Standards statute (41 U.S.C. chapter 67), or the Wage Rate Requirements (Construction) statute (40 U.S.C. chapter 31, subchapter IV),
    - (ii) Other than individuals employed in a bona fide executive, administrative, or professional capacity, as those terms are defined in 29 CFR part 541,
    - (iii) Regardless of the contractual relationship alleged to exist between the individual and the employer.
  - (2) Includes workers performing on, or in connection with, the contract whose wages are calculated pursuant to special certificates issued under 29 U.S.C. 214(c).
  - (3) Also includes any person working on, or in connection with, the contract and individually registered in a bona fide apprenticeship or training program registered with the Department of Labor’s Employment and Training Administration, Office of Apprenticeship, or with a State Apprenticeship Agency recognized by the Office of Apprenticeship.
- (b) Executive Order Minimum Wage rate.
- (1) The Contractor shall pay to workers, while performing in the United States, and performing on, or in connection with, this contract, a minimum hourly wage rate of \$10.10 per hour beginning January 1, 2015.
  - (2) The Contractor shall adjust the minimum wage paid, if necessary, beginning January 1, 2016 and annually thereafter, to meet the Secretary of Labor’s annual E.O. minimum wage. The Administrator of the Department of Labor’s Wage and Hour Division (the Administrator) will publish annual determinations in the Federal Register no later than 90 days before the effective date of the new E.O. minimum wage rate. The Administrator will also publish the applicable E.O. minimum wage on [www.wdol.gov](http://www.wdol.gov) (or any successor website) and on all wage determinations issued under the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute. The applicable published E.O. minimum wage is incorporated by reference into this contract.
  - (3)

- (i) The Contractor may request a price adjustment only after the effective date of the new annual E.O. minimum wage determination. Prices will be adjusted only if labor costs increase as a result of an increase in the annual E.O. minimum wage, and for associated labor costs and relevant subcontract costs. Associated labor costs shall include increases or decreases that result from changes in social security and unemployment taxes and workers' compensation insurance, but will not otherwise include any amount for general and administrative costs, overhead, or profit.
  - (ii) Subcontractors may be entitled to adjustments due to the new minimum wage, pursuant to paragraph (b)(2). Contractors shall consider any subcontractor requests for such price adjustment.
  - (iii) The Contracting Officer will not adjust the contract price under this clause for any costs other than those identified in paragraph (b)(3)(i) of this clause, and will not provide duplicate price adjustments with any price adjustment under clauses implementing the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute.
- (4) The Contractor warrants that the prices in this contract do not include allowance for any contingency to cover increased costs for which adjustment is provided under this clause.
  - (5) A pay period under this clause may not be longer than semi-monthly, but may be shorter to comply with any applicable law or other requirement under this contract establishing a shorter pay period. Workers shall be paid no later than one pay period following the end of the regular pay period in which such wages were earned or accrued.
  - (6) The Contractor shall pay, unconditionally to each worker, all wages due free and clear without subsequent rebate or kickback. The Contractor may make deductions that reduce a worker's wages below the E.O. minimum wage rate only if done in accordance with 29 CFR 10.23, Deductions.
  - (7) The Contractor shall not discharge any part of its minimum wage obligation under this clause by furnishing fringe benefits or, with respect to workers whose wages are governed by the Service Contract Labor Standards statute, the cash equivalent thereof.
  - (8) Nothing in this clause shall excuse the Contractor from compliance with any applicable Federal or State prevailing wage law or any applicable law or municipal ordinance establishing a minimum wage higher than the E.O. minimum wage. However, wage increases under such other laws or municipal ordinances are not subject to price adjustment under this subpart.
  - (9) The Contractor shall pay the E.O. minimum wage rate whenever it is higher than any applicable collective bargaining agreement(s) wage rate.
  - (10) The Contractor shall follow the policies and procedures in 29 CFR 10.24(b) and 10.28 for treatment of workers engaged in an occupation in which they customarily and regularly receive more than \$30 a month in tips.
- (c) (1) This clause applies to workers as defined in paragraph (a). As provided in that definition—

- (i) Workers are covered regardless of the contractual relationship alleged to exist between the contractor or subcontractor and the worker;
  - (ii) Workers with disabilities whose wages are calculated pursuant to special certificates issued under 29 U.S.C. 214(c) are covered; and
  - (iii) Workers who are registered in a bona fide apprenticeship program or training program registered with the Department of Labor's Employment and Training Administration, Office of Apprenticeship, or with a State Apprenticeship Agency recognized by the Office of Apprenticeship, are covered.
- (2) This clause does not apply to—
- (i) Fair Labor Standards Act (FLSA)-covered individuals performing in connection with contracts covered by the E.O., *i.e.* those individuals who perform duties necessary to the performance of the contract, but who are not directly engaged in performing the specific work called for by the contract, and who spend less than 20 percent of their hours worked in a particular workweek performing in connection with such contracts;
  - (ii) Individuals exempted from the minimum wage requirements of the FLSA under 29 U.S.C. 213(a) and 214(a) and (b), unless otherwise covered by the Service Contract Labor Standards statute, or the Wage Rate Requirements (Construction) statute. These individuals include but are not limited to—
    - (A) Learners, apprentices, or messengers whose wages are calculated pursuant to special certificates issued under [29 U.S.C. 214\(a\)](#).
    - (B) Students whose wages are calculated pursuant to special certificates issued under 29 U.S.C. 214(b).
    - (C) Those employed in a bona fide executive, administrative, or professional capacity (29 U.S.C. 213(a)(1) and 29 CFR part 541).
- (d) *Notice.* The Contractor shall notify all workers performing work on, or in connection with, this contract of the applicable E.O. minimum wage rate under this clause. With respect to workers covered by the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute, the Contractor may meet this requirement by posting, in a prominent and accessible place at the worksite, the applicable wage determination under those statutes. With respect to workers whose wages are governed by the FLSA, the Contractor shall post notice, utilizing the poster provided by the Administrator, which can be obtained at [www.dol.gov/whd/govcontracts](http://www.dol.gov/whd/govcontracts), in a prominent and accessible place at the worksite. Contractors that customarily post notices to workers electronically may post the notice electronically provided the electronic posting is displayed prominently on any Web site that is maintained by the contractor, whether external or internal, and customarily used for notices to workers about terms and conditions of employment.
- (e) Payroll Records.
- (1) The Contractor shall make and maintain records, for three years after completion of the work, containing the following information for each worker:

- (i) Name, address, and social security number;
  - (ii) The worker's occupation(s) or classification(s);
  - (iii) The rate or rates of wages paid;
  - (iv) The number of daily and weekly hours worked by each worker;
  - (v) Any deductions made; and
  - (vi) Total wages paid.
- (2) The Contractor shall make records pursuant to paragraph (e)(1) of this clause available for inspection and transcription by authorized representatives of the Administrator. The Contractor shall also make such records available upon request of the Contracting Officer.
- (3) The Contractor shall make a copy of the contract available, as applicable, for inspection or transcription by authorized representatives of the Administrator.
- (4) Failure to comply with this paragraph (e) shall be a violation of 29 CFR 10.26 and this contract. Upon direction of the Administrator or upon the Contracting Officer's own action, payment shall be withheld until such time as the noncompliance is corrected.
- (5) Nothing in this clause limits or otherwise modifies the Contractor's payroll and recordkeeping obligations, if any, under the Service Contract Labor Standards statute, the Wage Rate Requirements (Construction) statute, the Fair Labor Standards Act, or any other applicable law.
- (f) *Access.* The Contractor shall permit authorized representatives of the Administrator to conduct investigations, including interviewing workers at the worksite during normal working hours.
- (g) *Withholding.* The Contracting Officer, upon his or her own action or upon written request of the Administrator, will withhold funds or cause funds to be withheld, from the Contractor under this or any other Federal contract with the same Contractor, sufficient to pay workers the full amount of wages required by this clause.
- (h) *Disputes.* Department of Labor has set forth in 29 CFR 10.51, Disputes concerning contractor compliance, the procedures for resolving disputes concerning a contractor's compliance with Department of Labor regulations at 29 CFR part 10. Such disputes shall be resolved in accordance with those procedures and not the Disputes clause of this contract. These disputes include disputes between the Contractor (or any of its subcontractors) and the contracting agency, the Department of Labor, or the workers or their representatives.
- (i) *Antiretaliation.* The Contractor shall not discharge or in any other manner discriminate against any worker because such worker has filed any complaint or instituted or caused to be instituted any proceeding under or related to compliance with the E.O. or this clause, or has testified or is about to testify in any such proceeding.
- (j) *Subcontractor compliance.* The Contractor is responsible for subcontractor compliance with the requirements of this clause and may be held liable for unpaid wages due subcontractor workers.

- (k) *Subcontracts.* The Contractor shall include the substance of this clause, including this paragraph (k) in all subcontracts, regardless of dollar value, that are subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute, and are to be performed in whole or in part in the United States.

**II. Appendix B – Subcontracting Plan, is modified by deleting the existing information and substituting the plan included as Attachment 3 to this modification.**

No other changes are made as a result of this modification. All other terms and conditions remain unchanged.

**(END OF MODIFICATION)**

**PART II – CONTRACT CLAUSES**  
**SECTION I — CONTRACT CLAUSES**

**I-1 Contract Clauses**

All contract clauses are hereby incorporated in full text. The references cited are from the Federal Acquisition Regulation (FAR) (48 CFR Chapter 1) and the Department of Energy Acquisition Regulation (DEAR) (48 CFR Chapter 9). Note: The titles of the clauses are as follows:

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- 53 FAR 52.223-17 Affirmative Procurement of EPA-Designated Items in Service and Construction Contracts (May 2008)
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- I-2 FAR 52.252-4 Alterations in Contract (Apr 1984)**
- FAR 52.229-10 State of New Mexico Gross Receipts and Compensating Tax (Apr 2003),  
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(JUL 2005)**

**NATIONAL SECURITY TECHNOLOGIES LLC**

**MASTER SUBCONTRACTING PLAN FOR SMALL BUSINESS, SMALL  
DISADVANTAGED BUSINESS, WOMEN-OWNED SMALL BUSINESS,  
HISTORICALLY UNDERUTILIZED BUSINESS (HUB) ZONE SMALL BUSINESS,  
VETERAN-OWNED SMALL BUSINESS AND SERVICE-DISABLED VETERAN-  
OWNED SMALL BUSINESS**

**EFFECTIVE DATE: 01 OCTOBER 2014 TO 30 SEPTEMBER 2015**

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## 1.0 Introduction & Company Policy

At National Security Technologies, LLC (NSTec) we have made a strong commitment regarding the utilization of Small Businesses (SB), Small Disadvantaged Businesses (SDB), Women-Owned Small Businesses (WOSB), HUB Zone Small Businesses (HUB), Veteran-Owned Small Businesses (VOSB) and Service-Disabled Veteran Owned Small Businesses (SDVOSB). This Master Plan details the methods and procedures as to how NSTec's parent companies, Northrop Grumman, AECOM, CH2M Hill, and Babcock & Wilcox, will implement not just the letter of current regulations, but the spirit behind it. Notwithstanding the requirement for the establishment and utilization of Small Businesses, it is the policy of NSTec to support all Small Business concerns where possible. This Plan is submitted in accordance with Sections 52.219-8, 52.219-9 and 19.704(b) of the Federal Acquisition Regulations (FAR) and PL 99-661.

### 1.1 Corporate Commitment

NSTec is committed to providing a fair and competitive environment for all Small Business Concerns. The company places great importance upon the competitiveness of the marketplace and the timely procurement of products and services that meet the highest standards of quality and reliability.

This Plan represents NSTec's "Good Faith Effort" regarding its commitment to actively supporting the Federal Government initiatives and laws established to enhance and increase the participation of Small Businesses, Small Disadvantaged Businesses, Women-Owned Small Businesses, Veteran-Owned Small Businesses, Service-Disabled Veteran Owned Small Businesses and Historically Underutilized Business Zone Small Businesses, in the subcontracting process. The goals and objectives of the NSTec programs will continue to remain an essential part of our parent company's commitment.

## 2.0 Definitions

**SAM (System for Award Management):** <https://sam.gov> A national internet database administered by the Small Business Administration that contains supplier profiles of Small, Small Disadvantaged, 8(a), Women-Owned, HUB Zone, Veteran-Owned and Service-Disabled Veteran-Owned small businesses.

**HUB Zone Small Business (HUB):** A small business that is owned and controlled only by US citizens with the principal office located in a HUB Zone and at least 35% of the employees must reside in the HUB Zone. HUB Zone small business concern means a small business concern that appears on the List of Qualified HUB Zone Small Business Concerns maintained by the Small Business Administration

**Individual Subcontracting Plan:** A subcontracting plan that covers the entire contract period (including option periods), applies to a specific contract, and has goals that are based on planned subcontracting dollars or contract value in support of the specific contract.

**Master Plan:** A subcontracting plan that contains all the required elements of an individual contract plan, except goals, and may be incorporated into individual contracting plans, provided the master plan has been approved.

**Service Disabled Veteran Owned Business (SDVOSB):** Service-disabled veteran means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16).

**Small Disadvantaged Business (SDB):** A Small Business that is at least 51% owned by an individual who is both a US citizen and considered socially and economically disadvantaged, as defined by the Small Business Administration (SBA), with the majority of earnings directly accruing to such individuals. Social disadvantage must include at least one objectively distinguishing feature that has contributed to social disadvantage such as race, ethnic origin, gender, physical handicap, long term residence in an environment isolated from the mainstream of American society. Social disadvantage is a non-designated group and must establish individual social disadvantage based on a preponderance of evidence. Economic disadvantage is defined as net worth below \$750,000 minus equity in primary residence and the applicant's ownership interest.

**Small Business (SB):** A business concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on government contracts, and qualified as a small business under the criteria in 13 CFR Part 121

**Summary Subcontracting Report:** This report collects prime and subcontractors' subcontract award data for a specific Federal Government agency when a Prime/Subcontractor: (a) holds one or more contracts over \$650,000 (over \$1,500,000 for construction of a public facility); and (b) is required to report subcontracts awarded to Small Business (SB), Small Disadvantaged Business (SDB), Women-Owned Small Business (WOSB), HUB Zone Small Business (HUB Zone SB), Veteran-Owned Small Business (VOSB), Service-Disabled Veteran-Owned Small Business (SDVOSB), Alaskan Native Corporations (ANC) and Indian tribes concerns under a subcontracting plan with the Federal Government.

**Women Owned Small Business (WOSB):** A small business concern that is at least 51% owned by one or more women and in the case of any publicly owned business, at

least 51% of the stock is owned by one or more women. One or more women must control the management and daily business operations.

**Veteran-Owned Small Business (VOSB):** A small business that is at least 51% owned by one or more veterans and in the case of any publicly owned business, at least 51% of the stock is owned by one or more veterans. One or more veterans must control the management and daily business operations.

**Service-Disabled Veteran-Owned Small Business (SDVOSB):** A small business that is at least 51% owned by one or more service-disabled veterans and in the case of any publicly owned business not less than 51% of the stock is owned by one or more service-disabled veterans. The management and daily operations must be controlled by one or more service-disabled veterans in the case of a veteran with permanent and severe disability the spouse or permanent caregiver of such veteran shall manage.

### **3.0 Principal Supplies/Services to be Subcontracted [FAR 52.219-9 (d)(3)]**

The principal supplies and services to be subcontracted are listed below. NSTec's goal is to subcontract with all small business concerns in all potential North American Industry Classification System (NAICS) categories to the maximum extent possible. The principal supplies and services to be subcontracted are as listed below

Commodity/Service NAICS Code	SB	SDB	WOSB	HUB	VOSB	SDVOSB
Aircraft Parts - 336412	X	X	X	X	X	X
Automotive Supplies - 441310	X	X	X	X	X	X
Chemicals - 325110	X	X	X	X	X	X
Communication Equipment/Supplies - 334210	X	X	X	X	X	X
Computer hardware/Software - 423430	X	X	X	X	X	X
Construction Services - 236210	X	X	X	X	X	X
Electronics and Electronic Supplies - 423610	X	X	X	X	X	X
Engineering Services - 541330	X	X	X	X	X	X
Facility/equipment rentals/leases - 531120	X	X	X	X	X	X
Machinery - 333120	X	X	X	X	X	X
Metals -331111	X	X	X	X	X	X
Office Equipment and Supplies - 423420	X	X	X	X	X	X
Personal Protective Equipment - 812332	X	X	X	X	X	X
Staffing Services - 561320	X	X	X	X	X	X
Tools - 332212	X	X	X	X	X	X

#### 4.0 Goal Development

A review of outreach efforts, procurement documents, past performance, and/or possible new suppliers will be performed to determine subcontract opportunities for Small Businesses so that comprehensive and achievable goals may be established and incorporated into individual subcontracting plans.

Goals are established to comply with the provisions of FAR 52.219-8, 52.219-9, and FAR Subpart 19.7 and other federal agency clauses and as governed by certain public laws such as Public Law 95-507 (1978) which requires prime contractors with subcontracts in excess of the threshold as prescribed in the FAR, to establish a subcontracting plan to enhance the use of small/small disadvantaged businesses.

## 5.0 Identification and Development of Potential Sources

NSTec will build upon Northrop Grumman's long-established tradition of working with local sources such as Chambers of Commerce, small business development organizations and trade associations through its outreach program in an effort to develop a valid and dynamic source list of qualified small businesses.

Like Northrop Grumman, NSTec will rely on the information contained in the System for Award Management (SAM) found at <https://sam.gov> as an accurate representation of a small business concern's size and ownership characteristics for the purposes of maintaining a small business source list.

In addition to the SAM website, NSTec will participate in outreach activities, provide assistance and counseling, and will publicize its subcontracting opportunities, by posting solicitations on Internet resources such as Federal Business Opportunities (FedBizOpps.gov) where possible. Through its relationship with Northrop Grumman, NSTec will also participate in socio-economic trade fairs when possible to identify new potential small business sources. This information will be pursued through Northrop Grumman small business resources such as databases, newsletters, websites and small business advocates.

Sources to be utilized to locate small business concerns by NSTec will include:

- Las Vegas Latin Chamber of Commerce
- North Las Vegas Latin Chamber of Commerce
- Las Vegas Asian Chamber of Commerce
- Las Vegas Women's Chamber of Commerce
- DOE Office of Small Disadvantaged Business Utilization (OSDBU)
- Clark County Business Development Division
- Central Contractor Registration
- Nevada Minority Supplier Development Council
- Nevada Minority Business Enterprise Improvement Committee
- Nevada Development Authority
- Henderson Chamber of Commerce
- Clark County Chamber of Commerce
- Pahrump Chamber of Commerce
- Northrop Grumman Corporation Small Business Website

## 6.0 Utilization of Indirect Costs

Indirect costs are not included in the goals for Small Business (SB), Small Disadvantaged Business (SDB), Women-Owned Small Business (WOSB), HUB Zone

Small Business (HUB), Veteran-Owned Small Business (VOSB) and Service-Disabled Veteran Owned Small Business (SDVOSB) concerns.

## **7.0 Administration of the Master Subcontracting Plan**

Northrop Grumman personnel have agreed to take an active role in working with the NSTec Procurement Department in administering NSTec's Small Business Subcontracting Plan. The position of Small Business Program Manager is responsible for ensuring the performance of the described tasks listed below. The duties of the administrator are described in section 7.1.

### **7.1 Duties of the Administrator**

- Works with contracts, purchasing, and marketing personnel to search for and develop qualified small business concerns as sources of supply and Historically Black Colleges and Universities/Minority Institutions (HBCU/MI) for acquisition of research and studies normally acquired from higher educational institutions.
- Works with and provides input to the Director, as deemed necessary, to properly administer this plan.
- Coordinates with the small business community, industry associations, and government.
- Assists small business concerns in meeting requirements of contracting in Northrop Grumman TS' business marketplace.
- Acts as an intermediary between customers, the Small Business Administration, and the Northrop Grumman TS management.
- 

## **8.0 Efforts to Assure an Equitable Opportunity to Compete for Procurement Opportunities**

NSTec assures that small business concerns will have an equitable opportunity to compete for subcontracts, by arranging solicitations, time for preparations of bids, quantities, specifications, and delivery schedules so as to facilitate the participation of SB, SDB, WOSB, VOSB, SDVOSB, and HUB concern activities. NSTec personnel are encouraged to seek the use of approved small business sources and encouraged to develop new qualified sources on new business opportunities.

NSTec will publicize subcontract opportunities when possible through participation in small business publications, trade fairs, federal procurement conferences, industry conferences and local affiliations, such as the Las Vegas Chambers of Commerce. NSTec will be an active member of or collaborate with the following organizations:

- Las Vegas Latin Chamber of Commerce
- Las Vegas Urban Chamber of Commerce

- DOE Matchmaking Events
- North Las Vegas Latin Chamber of Commerce
- Las Vegas Asian Chamber of Commerce
- Las Vegas Women's Chamber of Commerce
- Clark County Business Development Matchmaking Events
- Nevada Minority Supplier Development Council

Through Northrop Grumman, NSTec will have access to various organizations supporting Small Businesses. In addition to participation in various outreach programs, NSTec will provide assistance to develop small business concerns in the following areas as appropriate:

- Bidders conferences to discuss and advise on specifications, statements of work and interpretation of requirements
- Site quality surveys to evaluate system and provide assistance to meet quality assurance requirements
- Post-award assistance to ensure requirements are fully understood and to assist in purchase order performance
- Financial assistance in the form of progress payments, where appropriate.
- In-house small business symposia attended by procurement, projects, engineering, and facilities, to discuss and advise on new programs and upcoming requirements
- One-on-One interviews with small businesses in-house and at small business conferences

NSTec's Small Business Office (within the purchasing organization) will be included in the Northrop Grumman TS Socio-Economic Business Program Office (SEBPO), which is fully integrated across project and functional management. The SEBPO employs a full-time staff to ensure small business concerns are given every opportunity to participate on contracts. This office serves as the centralized location whereby proposal and project managers can contact to find small business concerns to meet the requirements of the contract. Capable small business concerns are identified by using the NG in-house database and the government's System for Award Management (SAM) <https://sam.gov>, and are notified of subcontracting opportunities. Opportunities are also publicized at one-on-one counseling sessions and introductory meetings, trade fairs, federal procurement conferences, industry conferences, and local affiliations. Qualified vendors are also forwarded to procurement and pricing personnel for readily available access.

Policies and procedures are established to ensure the timely payment of amounts due, pursuant to the terms of their subcontracts with small business concerns.

## 9.0 Subcontracts Flow-down Provisions

NSTec will include the following provisions in all applicable purchase orders and subcontracts issued except where such inclusions are exempted by the terms of the FAR:

- FAR 52.219-8: Utilization of Small Business Concerns.
- FAR 52.219-9: Small Business Subcontracting Plan. Applies to all purchase orders and subcontracts that exceed \$650,000 (\$1,500,000 for construction of any public facility).
- Subcontractors to NSTec (except small business concerns) that receive subcontracts in excess of \$650,000 (\$1,500,000 for construction of any public facility) are required to adopt a subcontracting plan that complies with the requirements of this clause.

## 10.0 Reports, Reviews, Studies and Surveys

NSTec will cooperate in any reports, studies or surveys as may be required and submit reports to allow the government to determine the extent of compliance with this subcontracting plan.

NSTec will submit an Individual Subcontract Report (ISR) and/or Summary Subcontracting Report (SSR) via the Electronic Subcontracting Reporting System (eSRS) per the FAR 52.219-9(d)(10)(iii) and ensure that all subcontractors (except small business concerns) that receive subcontracts in excess of \$650,000 (\$1,500,000 for construction of any public facility) adopt a subcontracting plan and agree to submit as required by FAR 52.219-9.

## 11.0 Records Maintained to Comply with the Requirements of the Plan

NSTec will maintain records consistent with the requirements of this Master Subcontracting Plan, company policies and procedures supporting implementation of one of the following, dependent upon the individual contract's applicability.

### 11.1 Records

Records will be maintained which demonstrate procedures that have been implemented to comply with the goals in the plan, including the establishment of source lists, as well as the efforts to locate small business concerns and award subcontracts to them. These records will include, but not be limited to, the following:

- Source lists, guides and other data that identify small business concerns
- Organizations contacted in an attempt to locate small business concerns sources
- Records for each subcontract solicitation under a government contract resulting in an award more than \$150,000 indicating whether small business concerns were solicited and if not, why, and if applicable, the reason award was not made to a small business concern
- Records of outreach efforts to contact trade associations, business development organizations, conferences and trade fairs to locate small business concerns

- Records of internal guidance and encouragement provided to procurement, engineering, business development and technical personnel through 1) workshops, seminars, training and award/recognition programs and 2) monitoring performance to evaluate compliance with the program's requirements
- Records on a contract-by-contract basis, records to support award data, including the name, address and business size of each subcontractor
- Records of assistance provided to small business concerns

### **11.2 Outreach Efforts**

NSTec will endeavor to pursue trade associations, business development organizations, and conferences and trade fairs to cultivate small business concerns. NSTec intends to participate in various local and regional trade fairs that present opportunities for small business networking and outreach.

### **11.3 In-House Training and Motivation**

Internal training sessions and meetings will be made available for line, project, procurement, and staff managers at all levels of responsibility. These sessions will provide a means of orienting management, requirements, and acquisition personnel in the areas of government and company policies and procedures. The training will cover basic requirements and theory. In addition, specific case histories documenting company experience in implementing various small business concerns policies and procedures can be presented and discussed in an open forum. The intention of this information is to educate employees associated with the Procurement process on the requirements of NSTec's commitment to utilize small businesses in support of the Subcontracting Plan.

In addition to presenting information internally, NSTec procurement staff will seek additional learning opportunities provided through professional associations and symposia external to the company.

NSTec believes that a combination of internal and external training will be instrumental in providing our procurement staff with the specific professional knowledge and motivation that will result in a satisfactory record of achievement each year. We believe that this approach will be effective and intend to continue this program of personnel training and motivation, expanding it as necessary to meet any changing government requirements.

### **11.4 Assistance to Small Business Concerns**

NSTec assists small business concerns by arranging solicitations, time for the preparation of bids, quantities, and specification and delivery schedules to facilitate participation by these concerns. All reasonable efforts will be given to all qualified small business concerns to compete over a period of time.

### **11.5 Misrepresentation**

Notice will be provided to our subcontractors in general terms and conditions and internal procedures concerning penalties and remedies for misrepresentation of business status as SB, SDB, WOSB, VOSB, HUB, SDVOSB concerns for the purpose of obtaining a subcontract to be included as part or all of a goal contained in the subcontracting plan.

The general terms, conditions and internal procedures state that a firm's status to obtain a contract shall: 1) be punishable by fine, imprisonment, or both; 2) be subject to the administrative remedies, including suspension and debarment; or 3) be ineligible for participation in programs conducted under the authority of the act.

### **11.6 Effective Period of the Master Subcontracting Plan**

This Master Subcontracting Plan implements the provisions of FAR Subpart 19.7 and 52.219-9 as they apply to all categories of small business, including goals. Individual contract goals are also addressed in the individual subcontracting plan as submitted in eSRS.

NSTec will insure that the master plan is updated as necessary and will provide copies of the approved master plan, including evidence of its approval as required. Any goals and/or deviations from this plan deemed necessary by the customer to satisfy the requirements of the Prime Contract will be indicated in the individual subcontracting plan.

NSTec acknowledges that failure to comply in good faith with the clause of this contract entitled "Utilization of Small Business Concerns" or to submit an approved plan required by this clause is a material breach of the contract.

ATTACHMENT A TO MASTER SUBCONTRACTING PLAN  
SMALL, SMALL DISADVANTAGED, WOMEN-OWNED,  
HUBZONE, VETERAN-OWNED AND SERVICE-DISABLED  
VETERAN-OWNED SMALL BUSINESS CONCERNS

## INDIVIDUAL SUBCONTRACTING PLAN FOR NATIONAL SECURITY TECHNOLOGIES LLC

### 1.0 Direct And Indirect Goals Computations

The NSTec small business goals are expressed as percent of the total subcontracted dollar values as available to Small Businesses unless otherwise specified. All subcontracts and purchases that contribute directly or indirectly to contract performance will be included as part of commitment goals.

The approved FY15 Subcontracting goals are as defined in the below chart:

Socio-Economic Category	FY15 Approved Performance Plan	
	Forecast Subcontract Dollars	% of Total Subcontract Dollars
Total PO \$ Available to SB (Excludes Foreign and Inter-Company Dollars)	\$120,000,000.00	100.00%
Large Business Dollars	\$49,200,000.00	41.00%
Small Business Dollars	\$70,800,000.00	59.00%
Small-Disadvantaged Business	\$7,200,000.00	6.00%
Woman-Owned Small Business	\$7,200,000.00	6.00%
HUB Zone Business	\$2,400,000.00	2.00%
Veteran-Owned Small Business	\$12,000,000.00	10.00%
Service Disabled Veteran Business	\$2,400,000.00	2.00%

In accordance with the provisions of FAR 52.219-9, the following is a sampling of the principal types of supplies and services to be procured from subcontractors, as well as an identification of some of the types planned for subcontracting to Small, Small Disadvantaged, Women-Owned, HUB Zone, Veteran-Owned and Service-Disabled Veteran-Owned Small Business concerns.

Commodity/Service NAICS Code	SB	SDB	WOSB	HUB	VOSB	SDVOSB
Aircraft Parts - 336412	X	X	X	X	X	X
Automotive Supplies - 441310	X	X	X	X	X	X
Chemicals - 325110	X	X	X	X	X	X
Communication Equipment/Supplies - 334210	X	X	X	X	X	X
Computer hardware/Software - 423430	X	X	X	X	X	X
Construction Services - 236210	X	X	X	X	X	X
Electronics and Electronic Supplies - 423610	X	X	X	X	X	X
Engineering Services - 541330	X	X	X	X	X	X
Facility/equipment rentals/leases - 531120	X	X	X	X	X	X
Machinery - 333120	X	X	X	X	X	X
Metals -331111	X	X	X	X	X	X
Office Equipment and Supplies - 423420	X	X	X	X	X	X
Personal Protective Equipment - 812332	X	X	X	X	X	X
Staffing Services - 561320	X	X	X	X	X	X
Tools - 332212	X	X	X	X	X	X

## 2.0 Master Subcontracting Plan

The goals specified above will serve to augment the Master Subcontracting Plan for Small, Small Disadvantaged, Women-Owned, Veteran-Owned and Service-Disabled Veteran-Owned Small Business Concerns effective 01 October 2014 to 30 September 2015.

**3.0 Program Administrator:**

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