

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>			1. CONTRACT ID CODE	PAGE OF PAGES 1   9
2. AMENDMENT/MODIFICATION NO. P0002	3. EFF. DATE 07/02/2007	4. REQUISITION/PURCHASE REQ. NO. 0020024233	5. PROJECT NO. (If applicable)	
6. ISSUED BY CODE 7014 Department of Homeland Security Customs & Border Protection 1300 Pennsylvania Ave NW NP 1310 Washington DC 20229		7. ADMINISTERED BY (If other than Item 6) CODE Dept of Homeland Security Customs & Border Protection Office of Procurement - NP 1310 1300 Pennsylvania Ave. NW Washington DC 20229		
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and Zip Code) ROD ROBERTSON ENTERPRISES INC  1802 NW MILITARY HWY STE 100 D/B/A ROBERTSON AUTO AUCTION SAN ANTONIO TX 78213-2422			9A. AMENDMENT OF SOLICITATION NO.	
CODE 010553279 FACILITY CODE			9B. DATED (SEE ITEM 11)	
			10A. MODIFICATION OF CONTRACT/ORDER NO. X HSBP1006D01275 /	
			10B. DATED (SEE ITEM 13) 08/28/2006	
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS				
<input type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers <input type="checkbox"/> is extended, <input type="checkbox"/> 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 APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.				
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.				
X B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (Such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103 (b).				
C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:				
D. OTHER (Specify type of modification and authority)				
E. IMPORTANT: Contractor <input checked="" type="checkbox"/> is not <input type="checkbox"/> is required to sign this document and return _____ copies to 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 change the COTRs, revise (Statement of Work) sections and Schedule B to include removal of hidden compartments as attached. This contract is hereby modified as follows:  a. Incorporate the revised Statement of Work sections as attached.  b. Change the Primary COTR from: (b) (6) to: (b) (6).  c. Change the Deputy COTR from: (b) (6) to: (b) (6).				
Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.				
15A. NAME AND TITLE OF SIGNER (Type or print)			16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Cherita Thomas Contracting Officer	
15B. CONTRACTOR/OFFEROR  <i>(Signature of person authorized to sign)</i>	15C. DATE SIGNED	16B. BY <b>(b) (6)</b>	16C. DATE SIGNED 7/2/07	

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT - Continuation</b>			1. CONTRACT ID CODE	
2. AMENDMENT/MODIFICATION NO. P0002	3. EFF. DATE 07/02/2007	4. REQUISITION/PURCHASE REQ. NO. 0020024233	PAGE OF 2	PAGES 9

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

d. Revise Section B to include "Removal of Hidden Compartments" for (b) (4) per hidden compartment removal.

e. All other terms and conditions remain unchanged.

## Statement of Work Amendment

### **C.10.1 Pre-Seizure Services**

The Contractor may be asked by the CBP Field COTR to provide pre-seizure services for all vehicles. Such services may include: (1) Towing to a different site; (2) Dropping and replacing gas tanks in vehicles; (3) Providing services to facilitate inspection to identify illegally built compartments; (4) Breakdown of tires; (5) Movement of conveyances to CBP x-ray facilities for the purpose of detecting controlled substances (drugs and narcotics); (6) transfer of vehicles to and from locations for inspection services; and (7) the removal of unauthorized hidden compartments. During the performance of these services the contractor shall be accompanied at all times by a representative from CBP.

The CBP operates 24 hours a day, however, designated COTR's/Field COTR'S are not available 24 hours, therefore certain tasking are delegated to personnel who will perform specific duties during after duty hours and holidays through the SOW. Therefore, after-duty hours and federal holidays pre-seizure tasking services for vehicles may be delegated to the position of CBP Officers/Agents. The delegated CBP Officers/Agents shall telephone the Contractor to request pre-seizure services for vehicles. No other authority is implied and this delegation authority is strictly for pre-seizure services for vehicles during non-duty hours.

### **C.10.6 Seized Vehicle Facilities (Government and Contractor)**

The primary storage facility for vehicles seized in San Diego County shall be the Pringle Seized Vehicle Facility (PSVF) located at 9020 Airway Road, San Diego, California 92154. PSVF is leased by CBP and consist of 3,820 square feet useable office space and 31 acres of land where approximately 5,500 vehicles may be stored. Offerors shall propose in detail how they will operate and maintain the PSVF. The PSVF is a government facility and the facility's day-to-day operations and security are the responsibility of the on-site CBP Seized Property Specialist. Vehicles seized in Imperial County, and east to include (Andrade) may be stored in a cost effective storage facility in the Calexico area. The Contractor shall use and maintain the furnished Government's stand-alone bar coding system for the purpose of maintaining an accurate seized vehicle inventory at the PSVF.

An inventory of equipment that will be available for use by the contractor will be provided by the government. The government retains ownership of that equipment.

### **C.11.1 Vehicle Dismantling/Destruction**

The Contractor shall destroy or dispose of scrap/salvage-seized vehicles according to all Federal, State and local laws, codes, ordinances, regulations, and current industry practices regarding vehicle dismantling. The Contractor shall prepare and submit to the appropriate official's all applicable paperwork as required by the individual States. The Contractor shall ensure compliance with the environmental quality standards regulations of the federal government as well as applicable state and local regulations in each community where seized and forfeited vehicles are maintained and destroyed. This includes, but is not limited to compliance with the laws, codes, regulations, and ordinances issued by the following: the

Environmental Protection Agency (EPA); the State and local Environmental Agencies; and the Occupational Safety and Health Administration (OSHA). The Contractor shall ensure that all Contractor employees have been trained on (or are familiar with) all local, federal and state permits, required codes, orders, laws, ordinances and regulation applicable for the destruction and disposal of vehicles. CBP may request proof of training during oversight inspections. The Contractor must possess all required permits, bonds, and licenses required to do business. The Contractor shall provide copies of these licenses to the CO or COTR upon request.

The Contractor shall complete the destruction and salvage process of seized and forfeited vehicles as soon as possible, but not later than sixty (60) calendar days after receipt of a signed disposition order from CBP.

The Contractor shall pull, crush, shred, and certify the destruction of the vehicle. Contractor responsibilities for vehicle destruction include:

Verify the destruction and disposal of the vehicle by: (1) witnessing the destruction; and (2) documenting the destruction; (notification should also be given to the CBP Office requesting the destruction for viewing by government personnel).

Contractor responsibilities for salvage/scraping of vehicle include:

- a. Remove and dispose of all license plates in accordance with the individual state laws and regulations;
- b. For states that accept the Bill of Sale the contractor will ensure that the Bill of Sale is issued for any vehicle valued at \$2,500 or less that is sold to licensed salvage dealers, scrap dealers, recyclers, and dismantlers. The Bill of Sale will be stamped with "Scrap/Parts Only" and "No Retitle". The contractor will ensure the Bill of Sale has Customs and Border Protection printed on the Bill of Sale including the local field offices address.
- c. For states that do not accept the Bill of Sale the contractor will ensure that the Standard Form 97 "United States Government Certificate to Obtain Title to a vehicle" issued for any vehicle valued at \$2,500 or less that is sold to licensed salvage dealers, scrap dealers, recyclers, and dismantlers are stamped with "Scrap/Parts Only" and "No Retitle". All four copies of the Standard Form 97 must be stamped.
- d. The Terms and Conditions of Sale shall contain the following terms: All vehicles sold for scrap/parts shall have any unauthorized and identified hidden compartment removed and destroyed. Unauthorized hidden compartments shall not be sold.

Licensed salvage dealers, scrap dealers, recyclers, and dismantlers have a responsibility to immediately notify CBP Field COTR if any illegal controlled substances and/or contraband are discovered in seized and forfeited vehicle (s) purchased from CBP. The Contractor shall secure the vehicle (s) and immediately contact CBP Field COTR. If the licensed salvage dealers, scarp dealers, recyclers, and dismantlers locates a hidden compartment, whether or not it contains controlled substances and/or

contraband, they shall secure the vehicle (s) and immediately contact the CBP Field COTR.

**C.11.2 Remitted to Owner/Violator**

The Contractor shall remit vehicles to the party designated by the Field COTR on a Disposition Order Form 7605. The contractor's responsibility shall include, but is not limited to, the following:

The Contractor shall:

- a. Notify the designated owner in writing, or respond to telephonic inquiries from the designated party, regarding the amount due, and the date by which the property must be retrieved.
- b. Verify that the seizure(s) number and VIN match the VIN and seizure numbers on the release documents.
- c. Verify identity of person (s) receiving property as that on the Disposition Order.
- d. Obtain total payment for all Contractor costs prior to release.
- e. Obtain signature of individual receiving the vehicle on the release documents, CBP Form 6051.
- f. May be asked by the CBP Field COTR to obtain a signed and notarized Hold Harmless Release Agreement from the person receiving the property as stated on the Disposition Order.
- g. Remove all unauthorized hidden compartments when requested by the Field COTR.

**C.11.6.1 Planning and Scheduling**

The Contractor shall plan for sales on a continuing basis. All salvage vehicles with a disposition for sale must be prepared for sale within 60 days, for vehicle sales to the general public the contractor will develop a sales plan/schedule that provides the best value to the government. The Contractor shall notify CBP Field COTR when the sale is planned.

**C.13.2 Contractor Responsibilities**

The Contractor shall perform the following functions related to SEACATS:

- a. Upon experiencing and/or identifying a system problem, the contractor shall immediately call the appropriate Information System help desk and report the problem(s). The help desk will provide a work order ticket number. Depending on the seriousness of the problem, i.e., cannot gain access to the system, no dial up, a written impact statement shall be provided to the CO and

COTR. The impact statement shall identify how the problem will affect users, and provide any alternative solutions proposed to meet contract requirements.

**C.14 Appraisal (APV) and Fair Market Values (FMV)**

The APV of seized and forfeited vehicles is the responsibility of CBP. The seizing officers will enter the APV for each line item on the CBP 6051. The FMV is defined as the value of vehicle in a given market at which both buyers and sellers are willing to do business.

The Contractor shall determine the FMV of conveyances by using the most recent editions of wholesale value publications such as: the NADA Official Used Car Guide; The Contractor shall update the FMV of seized vehicles within 5 working days of receiving the CBP Form 6051, Custody Receipt for Seized Property. Once CBP issues the disposition order, Form 7605, and the contractor subsequently completes the pre-sale FMV, and the FMV falls below \$2,500 the contractor shall contact the CBP Field COTR and request further disposition instructions. The Contractor shall maintain documentation to support the basis for the assigned FMV.

**C.15.4 Terms of Payment**

The terms, conditions, and methods of accepting payment from sources, to which the Contractor shall adhere, are as follows:

All purchases require payment in full on the day of the sale unless the contractor extends payment until the next day.

The final day of collection will be considered the date of collection for reporting purposes for sales revenue.

**C.15.5 Documenting Sales.**

The Contractor shall follow the requirements in the Schedule for Delivery of Sales Reports for seized property and as outlined below:

**SEIZED PROPERTY SALES REPORTS**

For submission to the National Finance Center (NFC):

<b><u>Report</u></b>	<b><u>Due Date</u></b>
Summary Report of Sales to Date	10 <sup>th</sup> calendar day of each month
Schedule of Sales for Remainder Fiscal Year of each month	10th calendar day of each month of

Credit Card Reconciliation Report	30 calendar days after sale
Sales Closeout Package (Listing of items sold, buyers invoices, deposit slips for total (sale))	45 calendar days after sale

**C.15.7 Transfer of Funds to the U.S. Treasury Department**

**C.15.7.1 Transfer of Sale Revenue**

Revenue received by the Contractor from all sales shall be deposited directly into the Treasury General Account or wire transferred to the Treasury General Account. All sales revenues in the form of cash and cashier's checks received at auction sites will be stored in a secured safe and will be deposited to a designated local commercial bank which maintains Treasury General Accounts within one business day of the sale. A SF215B (deposit slip) will be prepared and must accompany this deposit.

For these deposits, a memorandum shall be sent via fax (Deposit Transmittal) to the NFC no later than five business days from the final date of sale collection (e.g. last transfer date). The memorandum must include the following information:

- a. Contractor point-of-contact
- b. Copy of Deposit Tickets (SF 215B)
- c. Deposits itemized by sale number

All funds not directly deposited in a Treasury General Account shall to be wire-transferred to the Treasury General Account within five working days after the last date of collection. The wire transfer shall include the sale number and Contractor point of contact for each amount transferred.

The individual transfer amounts, when added together, must equal the total deposit for the sale. The Contractor shall provide an explanation for any differences in the amounts.

The Contracting Officer shall be notified on any unusual and special circumstances that would affect compliance with these procedures.

**C.17 Government Inventory**

**C.17.1 Seized/Forfeited Vehicles**

The Chief Financial Officer's (CFO) Act of 1990 requires the preparation of annual audited financial statements. As part of this audit, CBP is mandated to conduct a 100% annual reconciliation inventory ("100 % Physical Inventory") of seized vehicles in the custody of the Contractor.

In conjunction with both the Department of Homeland Security and Treasury Office of Inspector General, the Government will contract for the services of an Independent Public Accountant (IPA) to perform the

audit of the Treasury Forfeiture Fund annual financial statements which will include tests of Contractor records. The IPA firm may, as part of the annual financial statement audit, visit the Contractor's site and/or the site of any subcontractor associated with the contract.

The financial statement auditor may observe the inventory process at selected sites each year as part of the testing process. The "100 % Physical Inventory" will be performed by the Contractor, including the actual count of seized and forfeited assets under its custody and reconciliation with CBP's perpetual automated system (SEACATS). The right of the financial statement auditor to enter the Contractor, subcontractor, and vendor premises will be established by a letter from the CO, along with a notice of the annual reconciliation inventory of property. The Contractor will be provided written procedures to be followed during the annual "100% Physical Inventory."

#### **C.17.2 Government Furnished Property**

The Contractor shall control and account for all GFP in order to protect the assets of CBP and to ensure accurate financial reporting. GFP provided to the Contractor shall be controlled and accounted for in the CBP asset accounting system, SAP.

The Contractor shall perform an annual inventory of GFP. A complete validated inventory shall be submitted to the CO and COTR annually. The annual inventory shall contain all information that is required by the Federal Acquisition Register (FAR) Subpart 45, Government Property. The Contractor shall handle all GFP pursuant to the provisions of FAR Subpart 45 and the Personal Property Management Handbook, HB 5200-13B, November 2005.

#### **C.20 Monthly Management Reports**

The Contractor shall submit to the COTR by the sixteenth of each calendar month an information management report of events from the previous month that will or are likely to impact the operation of the contract. The summary of events shall include: property management; property disposition; sales and marketing; risk management; quality control and audits; and any other significant information that impact on the Contractor's performance of the SOW requirements.

#### **C.21 Contractor Refund Requests**

Refund requests by purchasers resulting from sales disputes will be approved by the government only in very unusual circumstances since vehicles are sold "as is" without any warranties whatsoever. The Contractor shall review and summarize the facts and make a recommendation to the COTR with respect to whether a refund is justified by the facts.

Contractor refund request packages must include the following when presented to the COTR:

- a. A summary of the refund request investigation to include seizure number, vehicle description, vehicle location, purchaser name, bidder number, sale number, sale date, lot number, purchase price, payment form, refund recommendation amount, description of complaint, results of investigation, and refund recommendation,
- b. Copies of applicable supporting documentation, e.g., sales catalog, bidder registration, buyer invoice, purchaser refund request, police report, buyer's form/proof of payment, etc.

- c. Statement of explanation if the refund involves expenses (not a refund of a purchase.
- d. Copy of the deposit transmittal and/or wire transfer log.

The COTR will notify the Contractor of the approval/disapproval of the refund request. The Contractor will notify the buyer via a letter of the approval/disapproval. If approved, the buyer will be advised to expect payment in 4 to 6 weeks. The Contractor will also forward a copy of the approval letter to the CBP National Finance Center Forfeiture Fund Team.