

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE	PAGE OF PAGES 1 5
2. AMENDMENT/MODIFICATION NO. P00019	3. EFFECTIVE DATE 3/19/2010	4. REQUISITION/PURCHASE REQ NO	5. PROJECT NO. (If applicable)	
6. ISSUED BY Department of Homeland Security Customs and Border Protection 1300 Pennsylvania Ave NW Room 7.2C Washington DC 20229	CODE 7014	7. ADMINISTERED BY (IF OTHER THAN ITEM 6) Department of Homeland Security Customs and Border Protection 1300 Pennsylvania Ave NW Room 7.2C Washington DC 20229		
8. NAME AND ADDRESS OF CONTRACTOR (No., Street, County, State, and Zip Code) THE BOEING COMPNAY DBA/BOEING 1215 SOUTH CLARK ST STE 600 ARLINGTON VA 2202-3259		<input type="checkbox"/>	9A. AMENDMENT OF SOLICITATION NO.	
		<input type="checkbox"/>	9B. DATED (SEE ITEM 11)	
		<input checked="" type="checkbox"/>	10A. MODIFICATION OF CONTRACT/ORDER NO. /HSBP1208J21892	
CODE:	FACILITY CODE:	<input type="checkbox"/>	10B. DATED (SEE ITEM 11) 06/25/2008	
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 ACKNOWLEDGMENT 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

<input type="checkbox"/>	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.
<input type="checkbox"/>	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).
<input checked="" type="checkbox"/>	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: FAR 43.103 (a) "BILATERAL MODIFICATION/MUTUAL AGREEMENT OF ALL PARTIES"
<input type="checkbox"/>	D. OTHER (Specify type of modification and authority)

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.)

(SEE CONTINUATION PAGES)

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 (b) (6) Contract Administrator, The Boeing Co.	16A. NAME AND TITLE OF CONTRACTING OFFICER MARIO DIZON, CONTRACTING OFFICER
15B. (b) (6) authorized to sign)	16B. (b) (6) (ficer)
15C. DATE SIGNED 19 MAR 2010	16C. DATE SIGNED 19 MAR 2010

Part I – SCHEDULE

a. The purpose of this modification, as indicated on the following pages, is as follows:

1. Deletes the target incentive fee of CLIN 00010 thru 00030 and CLIN 00050 thru 00070 of (b) (4) to (b) (4) and replaces it with the base fee equal to the previous minimum fee of (b) (4). The new base fee will be reallocated across CLIN 00010 thru 00030 and CLIN 00050 thru 00070 with the same percentages as the previous target fee. *(Note this incorporates the Contractor's concession of its full cost share under the incentive fee provisions of this contract.)*

2. Removes the Cost Incentive Fee Structure paragraph in Section 5.1 and the Provisional Fee Payment paragraph in Section B.5.3 and authorizes the contractor to invoice base fee as a percentage of expended costs. *(Note the Contractor has discontinued invoicing fee on this contract and agrees not to commence until the estimated costs have been increased to incorporate the Over Target Baseline (OTB) cost growth so that the appropriate percent completes will be utilized in the billable fee calculations.* The total base fee or minimum fee as a result of this modification is (b) (4).

3. Increases the funded estimated cost of CLIN 0010 thru 00030 and CLIN 00050 thru 00070 by (b) (4), or the sum of the previous target fee ((b) (4)) less the new base fee ((b) (4)). *(Note this maintains the same total value (cost plus fee, or price) and funding on these CLIN and incorporates the contractor concession that the additional cost associated with this OTB shall be at no additional fee). (See Table 1)*

4. Reduces the TUS-1 Award Fee Pool from (b) (4) to (b) (4). CLIN 00040 Award Fee is changed from (b) (4) by (b) (4) to (b) (4). The remaining CLIN 00040 Award Fee Pool distribution is for the AJO-1. *(Note this incorporates the contractor concession of any entitlement to the TUS-1 award fee).*

5. CLIN 00010 funding is reduced by (b) (4), and CLIN 00040 funding is reduced by (b) (4). CLIN 00020 funding is increased by (b) (4). CLIN 00030 funding is increased by (b) (4). CLIN 00050 funding is increased by (b) (4). CLIN 00060 funding is increased by (b) (4) and CLIN 00070 funding is increased by (b) (4). *(Note the funding made available from CLIN 00010 is the result of spending slower than previously projected and the funding made available from CLIN 00040 is the result of the elimination of the TUS -1 Award Fee pool. This reallocates funds to CLIN 00020 thru 00030 and CLIN 00050 thru 00070, which are spending faster than previously projected thru March 31, 2011. (See Table 2)*

6. Increases the estimated cost of CLIN 00010 thru 00030 and CLIN 00050 thru 00070 up to the new funding levels allotted in accordance with FAR clause 52.232-22 (g) "Limitation of Funds"

7. Revises the FAR 52.232-20, "Limitation of Cost" clause, and makes changes to SECTION B – Supplies or Services and Price/Cost and SECTION B- Contract Pricing Terms and Conditions, attached hereto and made a part of this Task Order.

Tables I and II on the following pages are included in support of the reduced incentive fee per SECTION B CLIN changes. The net increase to Table I incorporates the \$12,445,801 funding cost overrun obligated in P00015 which increased the funding but did not increase the estimated cost in accordance with FAR 52.232-22(g). Table II show no additional funding is added with this modification.

TABLE I

Table I is incorporated herein to identify by CLIN the incentive fee decrease to the base fee or minimum fee, the reduction to the Award Fee Pool, and the increase to estimated cost to match correctly match the funded levels in table II below:

CLIN		Estimated Cost	Fee	Total
00010	Changed From	(b) (4)	(b) (4)	(b) (4)
Program Management & Administration	Changed By			
	Changed To			
00020	Changed From			
Tower Installation	Changed By			
	Changed To			
00030	Changed From			
Material	Changed By			
	Changed To			
00040	Changed From			
Incentive Fee	Changed By			
	Changed To			
00050	Changed From			
Tower Payloads	Changed By			
	Changed To			
00060	Changed From			
Facilities	Changed By			
	Changed To			
00070	Changed From			
Integration/Test	Changed By			
	Changed To			
00080	Changed From			
Government Property	Changed By			
	Changed To			

	Changed To	(b) (4)	(b) (4)	(b) (4)
Grand Total All CLINS	Changed From Changed By Changed To			

TABLE II

Table II identifies the funding that has transferred from fee to cost due to the reduction from the target fee to the base fee or minimum fee and the reallocation of the TUS-1 award fee to the CLIN 00020 and 00030 cost.

CLIN		Estimated Cost	FEE	TOTAL
00010 Program Management & Administration	Changed From Changed By Changed To	(b) (4)	(b) (4)	(b) (4)
00020 Tower Installation	Changed From Changed By Changed To			
00030 Material	Changed From Changed By Changed To			
00040 Incentive Fee	Changed From Changed By Changed To			
00050 Tower Payloads	Changed From Changed By Changed To			
00060 Facilities	Changed From Changed By Changed To			
00070 Integration/Test	Changed From Changed By Changed To			
00080 Government Property	Changed From Changed By Changed To			
Grand Total All CLINS	Changed From Changed By Changed To			

8. SECTION B – Supplies or Services and Price/Cost and SECTION B- Contract Pricing Terms and Conditions is hereby replaced in it's entirety with the attached SECTION B – Supplies or Services and Price/Cost and SECTION B- Contract Pricing Terms and Conditions.

B. All other terms and conditions remain unchanged.

C. Attachments to this Modification: Section B - Supplies or Services and Prices/Costs (Pages 4 – 9).

Section B – Supplies or Services and Prices/Costs

CLIN Des	Description	Estimated Costs	Target Fee
CLIN 00010	Professional services, travel, and data for Program Management/Administration in accordance (IAW) with the attached Statement of Work (SOW) For Arizona Deployment dated October 23, 2009. TUS-1 cost estimate/fee: TBD AJO-1 cost estimate/fee: TBD	(b) (4)	(b) (4)
CLIN 0002 0	Professional Services, travel, and data for Tower Installation IAW the attached SOW for Arizona Deployment dated October 23, 2009. TUS-1 cost estimate/fee: TBD AJO-1 cost estimate/fee: TBD	(b) (4)	(b) (4)
CLIN 00030	Material, and data IAW the attached SOW for Arizona Deployment dated October 23, 2009. TUS-1 cost estimate/fee: TBD AJO-1 cost estimate/fee: TBD	(b) (4)	(b) (4)
CLIN 00040	Schedule/Performance Award Fee TUS-1: (b) (4) AJO-1: (b) (4)		(b) (4)
CLIN 0005 0	Professional services, travel, and data For Tower Payloads IAW the attached SOW for Arizona Deployment dated October 23, 2009. TUS-1: cost estimate/fee: TBD AJO-1: cost estimate/fee: TBD	(b) (4)	(b) (4)
CLIN 0006 0	Professional services, travel, and data For Facilities IAW the attached SOW for Arizona Deployment dated October 23, 2009. TUS-1: cost estimate/fee: TBD AJO-1: cost estimate/fee: TBD	(b) (4)	(b) (4)
CLIN 0007 0	Professional services, travel, and data for Integration/Test IAW the attached SOW for Arizona Deployment dated October 23, 2009. TUS-1: cost estimate/fee: TBD AJO-1: cost estimate/fee: TBD	(b) (4)	(b) (4)
CLIN 00080	Repair of Government Property Descriptive Data: The Contractor shall in accordance with Section C, Paragraph C.1 incorporated herein, for the cost of material, labor and equipment for the teardown, inspection, repair, and damages or lost of	(b) (4)	(b) (4)

Government property.
At the point where the (b) (4) has been expended, the Contractor shall not exceed the pre-approved amount of equal to or less than (b) (4) per unit without the written approval from the Contracting Officer. This CLIN is non-fee bearing. The period of performance shall be from 04 Feb 2010 to 28 Feb 2011.

TOTALS (b) (4) (b) (4)

Section B – Contract Pricing Terms and Conditions

1. GENERAL

The contractor shall furnish all personnel, facilities, equipment, materials, supplies, and services necessary for the contractor to deploy the designs for TUS-1 and AJO-1 in accordance with the attached statement of work for Arizona Deployment dated October 23, 2009.

2. PERIOD OF PERFORMANCE

The estimated period of performance for this task order twenty three (23) months, or from June 25, 2008 through May 27, 2010 changed to May 27, 2010 to May 17, 2011.

The contractor is authorized to continue beyond the previous estimated end date of May 27, 2010 to Ready for Operational Test & Evaluation (RFOT&E) plus 60 days for TUS-1 and AJO-1 respectively. Government Inspection and Acceptance for TUS-1 shall occur no later than 160 days after the contractor declares ROT&E or 45 days after completion of OT&E, whichever occurs earlier. Government Inspection and Acceptance for AJO-1 shall occur no later than 90 days after the contractor declares ROT&E or 45 days after completion of OT&E, whichever occurs earlier.

3. TASK ORDER TYPE:

This task order is issued under the SBInet Contract (HSBP1006D1353) which is an indefinite delivery/indefinite quantity (IDIQ) contract.

This task order is changed from a Cost Plus Incentive (CPIF) for cost and schedule/performance incentives to a CPIF for cost incentives and a Cost-Plus Award Fee (CPAF) for performance/schedule incentives. The award fee establishes the evaluation criteria, responsibilities and procedures for evaluating Boeing's performance for mission effectiveness toward achieving accelerated tower deployment for TUS-1 and AJO-1. The cost incentive provisions herein are exercised to establish the contractor's target fee of (b) (4) is reduced to the minimum base fee of (b) (4). The award fee for the TUS-1 share has been conceded and reduced to (b) (4).

4. TOTAL TASK ORDER TARGET COST, TARGET FEE, AWARD FEE, AND OVERALL COMPLETION DATE

Total task order target cost and base fee is \$124,047,577. The total task order target cost is (b) (4). The total task order base fee is (b) (4) or (b) (4) of total task order total cost less travel and travel related indirect costs, and facilities capital cost of money less (b) (4) in reduction of the incentive fee as of a result of incentives offered by the Contractor for continued performance beyond the estimated completion date of May 27, 2010. The total award fee is (b) (4) or (b) (4) of total task order total cost less travel and travel related indirect costs, and facilities capital cost of money less the TUS-1 distribution. The total task order target cost, base fee, and award fee are set for task order target completion of not later than Mar 17, 2011.

5. COST FEE STRUCTURE:

The base fee shall not be less than (b) (4) of the target cost less travel and travel related indirect costs, and facilities capital cost of money less (b) (4) in reduction of the incentive fee as of a result of incentives offered by the Contractor for continued performance beyond the estimated completion date of May 27, 2010.

5.1 Schedule/ Performance Award Fee.

5.1.1 Award Fee Pool (distribution)

- a. TUS-1: (b) (4)
- b. AJO-1: (b) (4)

5.1.2 See attached Performance Evaluation Plan (PEP) for Award Fee criteria.

5.1.3 The following is the criteria for acceptance of Projects TUS-1 and AJO-1:

1. Completion of Systems Acceptance Testing
 - a. Completion of test results "Hotwash"
 - b. Preliminary Results and Predictions of Analysis
2. All Categories 1 & 2 non-conformance items closed (includes Initial Reviews (IR), Test Initial Reviews (TIR)).
3. Plan of action on all open Category 3 non-conformances

4. Acceptance Data Package (ACP) of “as-built” System
 - a. Reconciliation of as-built vs. as-designed
 - b. Includes results from Assembly Check-out testing data (Factory Acceptance type testing)
5. Certification & Accreditation
 - a. Plan of action for any issue identified in the Security Assessment Report
 - b. Evidence of Complete Network Operations Center/Secure Operations Center (NOC/SOC) procedures

A successful/acceptable SAT for TUS-1 is achieved when no Category 1 or Category 2 failures exist, but Category 3 issues may be present.

- Category 1 is a failure of the systems primary system functions. Any safety related issue is Category 1 failure.
- Category 2 is a partial failure or degradation of primary systems functions that impacts primary functionality but functionality is achievable with alternative method of operation.
- Category 3 is an issue that results in degraded operations of minor functionality or where a work around is available to enable operations to continue.

The evidence to be presented in Final Acceptance Package for TUS-1 and AJO-1 follows:

1. Close out of all non-conformances (includes IRs, TIRs, etc) to include government concurrence as applicable, including root cause analysis and corrective action steps and schedule.
2. Satisfactory completion of the Systems Acceptance to include Systems Acceptance Test reports and performance analysis results.
3. Final delivery of the Acceptance Data Package (ADP) which documents the reconciliation of the “as built” configuration of the TUS-1/AJO-1 System to the final “as designed” baseline.
4. Certification & Accreditation
 - a. All issues or conditions to “authority to operate”, identified in the Security Assessment Report are documented with approved plans in the Plan of Action Milestones (POAM)
 - b. Evidence of Complete NOC/SOC procedures.

5. Project Integration Specifications metrics are satisfied*:

<u>Probability of Detect</u>	<u>Probability of ID Operational Availability</u>				
<u>Threshold</u>	<u>Objective</u>	<u>Threshold</u>	<u>Objective</u>	<u>Threshold</u>	<u>Objective</u>

(b) (7)(E)

In addition to the three specifications above, a fourth specification is as follows:

Technology Coverage (radar-based)

Coverage is based on the linear line (statute miles) of border covered by technology as follows:

TUS-1: (b) (7)(E)
AJO-1: (b) (7)(E)

* The metrics are based on the Modeling and Simulation models that are based on a seven workstation COP configuration. Any adjustment to the workstation COP configuration will require a review and change to the metrics.

6. All CDRLs delivered and accepted by the government except final financial reports.

6. Final Fee Determination on Cost

The final fee determination will be calculated by the Contracting Officer when the Contractor has completed all activities included in the SOW. The final fee determination will be based on the total cost of the Task Order and the target schedule dates and cost. The final fee payment will be the difference between the final fee determination minus the sum of provisional fee payments made during the period of the Task Order.

If the sum of provisional fee payments made during the period of the Task Order is greater than the overall fee that is calculated by the Contracting Officer in his/her final fee determination, the Contractor shall reimburse the amount of fee already paid that is greater than that earned and shall pay interest to the CBP at a rate established by the Secretary of the Treasury under section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611) that is in effect on the payment date. This rate is referred to as the "Renegotiation Board Interest Rate," and is published in the Federal Register semiannually on or about January 1 and July 1.

The interest will be accrued daily from the date of the Contracting Officer final fee determination to the date of reimbursement by the Contractor and will be

compounded in 30 day increments. Reimbursement must be made within 15 calendar days of the Contracting Officer final fee determination.

7. Obligation of Funds

a. Total funds in the amount of \$127,476,104 are obligated herewith and made available for payment of allowable and allocable costs and fees from the effective date of this Task Order through Final Acceptance as follows:

CLIN	Current Funding Available
00010	(b) (4)
00020	
00030	
00040	
00050	
00060	
00070	
00080	

(Note: CLIN 00080 was funded by reducing the task order incentive fee funding amount by **(b) (4)** under modification P00017 for repairs of Government property as of a result of consideration offered by the Contractor for continued performance beyond the estimated completion date of May 27, 2010.)

b. Funds are obligated by line item. Allocation of estimated costs and base fee are shown by project; specifically, TUS-1 and AJO-1 within the description of the-line item. The contractor shall notify the contracting officer in writing with a detailed explanation of any change in the specific project's estimated cost. All parties shall come to an agreement of the revised project cost within three (3) working days; and the contracting officer will notify the contractor of the acceptance of the revised cost within three (3) working days. The contracting officer will reallocate funds accordingly via modification to the task order. The contractor is authorized to invoice at the Contract Line Item (CLIN) level.