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Federal Tax Exempt ID: 72-0408780

Emailing Invoices to CBP. As an alternative to mailing invoices to the National Finance Center as shown on page one of this award, you may email invoices to: **cbpinvoices@dhs.gov**.

NOTES:

SCHEDULE OF SUPPLIES/SERVICES

This is a Firm-Fixed Price award issued pursuant to Advanced Interactive Systems, Inc. exact match offer referenced in RFQ HSBP1009Q2750 on www.fbo.gov.

Please coordinate delivery and training with (b) (6).

Item Number: 00010 Line Item (Priced/Information/Option): P
Supplies/Services: ITEM # 80-0003-101 PRISim suite portable trainer PRO L600 (includes 2 days of onsite training for up to 4 instructors)

Qty	Unit	Unit Price	Ext. Price
1	EA	\$29,318.0000	\$29,318.0000

Item Number: 00020 Line Item (Priced/Information/Option): P
Supplies/Services: ITEM # 82-0017-001 MARKSMANSHIP TRAINER; New System Content Package: (1000+ Scenarios)
EP Disks (1-6), Corrections -2, Corrections-2 Spanish, Civilian Education-2, Patrol-1, Patrol-2, Patrol-3, Patrol-4 Spanish, Patrol 1.5 HD
Border Patrol-1 HD, Border Patrol-2 HD, Patrol - 16 HD, Patrol - 17 HD, Schools-2 HD, Less Lethal-1, Less Lethal-2, Homeland Security, Tactical-1 Spanish, Airport Tactical Skills Builder 1-8, Tactical Skills Builder 8-16

Qty	Unit	Unit Price	Ext. Price
1	EA	\$10.00	\$10.00

Item Number: 00030 Line Item (Priced/Information/Option): P
Supplies/Services: 1 ITEM # 83-0074-001 SKILLS BUILDER PACK 1

Qty	Unit	Unit Price	Ext. Price
1	EA	\$1,317.0000	\$1,317.0000

Item Number: 00040 Line Item (Priced/Information/Option): P
Supplies/Services: ITEM # 83-0118-001 HUMAN FIGURE MOVING 1

Qty	Unit	Unit Price	Ext. Price
1	EA	\$6,145.0000	\$6,145.0000

Item Number: 00050 Line Item (Priced/Information/Option): P
Supplies/Services: ITEM # 81-0008-001 INTEGRATED SHOOTBACK CANNON L600

Qty	Unit	Unit Price	Ext. Price
1	EA	\$14,817.0000	\$14,817.0000

Item Number: 00060 Line Item (Priced/Information/Option): P

ORDER FOR SUPPLIES OR SERVICES
Schedule - Continuation

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IMPORTANT: Mark all packages and papers with contract and/or order numbers.

1. DATE OF ORDER
09/14/2009

2. CONTRACT NO. (if any)

3. ORDER NO.
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17. SCHEDULE (See reverse for Rejections)

ITEM NO. (a)	SUPPLIES OR SERVICES (b)	QUANTITY ORDERED (c)	UNIT (d)	UNIT PRICE (e)	AMOUNT (f)	QTY Accpt (g)
00090	H & K P2000	1.00	EA	\$2,025.00	\$2,025.00	
00100	84-0010-001 Remington 870 Ghost Rings	1.00	EA	\$3,731.00	\$3,731.00	
00110	85-0028-001 M4 Non Gun 16" barrel	1.00	EA	\$3,750.00	\$3,750.00	
00120	71-0008-001 Muzzle Trace Laser	1.00	EA	\$878.00	\$878.00	
00130	85-0023-001 Taser X26	1.00	EA	\$2,194.00	\$2,194.00	
00140	85-0025-001 Pepperball (SA10)	1.00	EA	\$1,800.00	\$1,800.00	

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NOTES:

Supplies/Services: ITEM 81-0028-001 FLASHLIGHT STINGER LASER CODED

Qty	Unit	Unit Price	Ext. Price
2 EA		\$250.0000	\$500.0000

Item Number: 00070 Line Item (Priced/Information/Option): P

Supplies/Services: ITEM # 81-0030-001 CHEMICAL AGENT SPRAY LASER CODED

Qty	Unit	Unit Price	Ext. Price
2 EA		\$1,514.0000	\$3,028.0000

Item Number: 00080 Line Item (Priced/Information/Option): P

Supplies/Services: ITEM # 84-2006-001, H&K USP 9MM/40

Qty	Unit	Unit Price	Ext. Price
1 EA		\$2,025.0000	\$2,025.0000

Item Number: 00090 Line Item (Priced/Information/Option): P

Supplies/Services: H&K P2000

Qty	Unit	Unit Price	Ext. Price
1 EA		\$2,502.0000	\$2,025.0000

Item Number: 00100 Line Item (Priced/Information/Option): P

Supplies/Services: ITEM # 84-0010-001 REMINGTON 870 GHOST RING SITES

Qty	Unit	Unit Price	Ext. Price
1 EA		\$3,731.0000	\$3,731.0000

Item Number: 00110 Line Item (Priced/Information/Option): P

Supplies/Services: ITEM # 85-0028-001 M4 NON GUN SELECT FIRE-16" BARREL

Qty	Unit	Unit Price	Ext. Price
1 EA		\$3,750.0000	\$3,750.0000

Item Number: 00120 Line Item (Priced/Information/Option): P

Supplies/Services: ITEM # 71-0008-001 MUZZLE TRACE LASER

Qty	Unit	Unit Price	Ext. Price
1 EA		\$878.0000	\$878.0000

Item Number: 00130 Line Item (Priced/Information/Option): P

Supplies/Services: ITEM # 85-0023-001 PATENT PENDING TASER X26 W/2 HEADS

Qty	Unit	Unit Price	Ext. Price
1 EA		\$2,194.0000	\$2,194.0000

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NOTES:

Item Number: 00140 Line Item (Priced/Information/Option): P
 Supplies/Services: ITEM # 85-0025-001 PEPPER BALL SA10

Qty	Unit	Unit Price	Ext. Price
1	EA	\$1,800.0000	\$1,800.0000

Total Funded Contract Value: \$71,538.00

SECURITY PROCEDURES

A. Controls

The Contractor shall comply with the Bureau of Customs and Border Protection (CBP) administrative, physical, and technical security controls to ensure that the Government's security requirements are met.

B. Identification Badges

All Contractor employees shall be required to wear identification badges as applicable when working in Government facilities. These items will be provided by contractor.

C. Security Background Data

A Contractor employee shall not begin working under the contract until a favorable Security Background Check is completed with approval from the U.S. Border Patrol Laredo Sector Senior Security Specialist. Exceptions to this requirement will be handled on a case-by-case basis, and access to facilities, systems, data, etc. will be limited until the individual is cleared.

Contractor employee personnel hired to work within the United States or its territories and possessions that require access to CBP facilities, information systems, security items and products, and/or sensitive but unclassified information shall either be U.S. citizens or have lawful permanent resident status.

The following security screening requirements apply to both U. S. citizens and lawful permanent residents who are hired as Contractor personnel. All personnel employed by the Contractor or responsible to the Contractor for the performance of work hereunder shall be able to favorably pass a Security Background Check. The Contractor shall submit within three (3) working days after award of this contract copies of employee's Drivers License(s) or State/Federal Picture I.D., Social Security numbers, Birth Certificate and/or I-551 (Resident Alien Card). The copies must be hand delivered, faxed or emailed to Security Specialist (b) (6) (b) (6) at (b) (6).

Failure of any Contractor personnel to pass a favorable Security Background

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NOTES:

Check means that the Contractor has failed to satisfy the contract's requirement to provide cleared personnel. The Contractor's failure to meet the requirement to provide cleared personnel is grounds for termination of the contract, unless cleared personnel are timely provided as replacements. The Contractor must provide a qualified replacement capable of passing a favorable Security Background Check. This policy also applies to any personnel hired as replacements during the term of the contract. The Contracting Officer must approve all personnel replacements.

D. Notification of Personnel Changes

The Contractor shall notify the Contracting Officer via phone, FAX, or electronic transmission, no later than one work day after any personnel changes occur. Written confirmation is required for phone notification. This includes, but is not limited to, name changes, resignations, terminations, and reassignments (i.e., to another contract).

THE ORDER NUMBER (BLOCK 3) SHALL BE REFERENCED ON THE INVOICE.

IMPORTANT VENDOR INFORMATION:

TO ENSURE PROMPT PAYMENT, PLEASE SUBMIT ORIGINAL INVOICE TO ADDRESS ON BLOCK 21 OF THIS ORDER AND REFERENCE PURCHASE ORDER ON BLOCK 3 ON YOUR INVOICE.

VENDOR PAYMENT INQUIRY HOTLINE # (317) 614-5001

PLEASE FORWARD A COPY OF INVOICE TO THE FOLLOWING ADDRESS:

CUSTOMS AND BORDER PROTECTION
US BORDER PATROL
207 W. DEL MAR BLVD.
LAREDO, TX 78041

PURCHASE ORDER TERMS AND CONDITIONS

U.S. CUSTOMS and BORDER PROTECTION

Supplemental Clauses/Provisions

Order Number: HSBP1009P28202

P.1 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

<http://www.acqnet.gov>

I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES

NUMBER	DATE	TITLE
52.204-7	APR 2008	CENTRAL CONTRACTOR REGISTRATION
52.212-4	MAR 2009	CONTRACT TERMS AND CONDITIONS-- COMMERCIAL ITEMS
52.232-1	APR 1984	PAYMENTS
52.232-8	FEB 2002	DISCOUNTS FOR PROMPT PAYMENT
52.233-1	JUL 2002	DISPUTES
52.243-1	AUG 1987	CHANGES - FIXED-PRICE Alternate II (APR 1984)
52.247-34	NOV 1991	F.O.B. DESTINATION
52.249-1	APR 1984	TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED-PRICE) (SHORT FORM)

P.2 52.212-5 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE ORDERS--COMMERCIAL ITEMS (JUN 2009)

(a) The Contractor shall comply with the following Federal Acquisition Regulation (FAR) clauses, which are incorporated in this contract by reference, to implement provisions of law or Executive orders applicable to acquisitions of commercial items:

(1) 52.222-50, Combating Trafficking in Persons (FEB 2009) (22 U.S.C. 7104(g)).

___ Alternate I (AUG 2007) of 52.222-50 (22 U.S.C. 7104(g)).

(2) 52.233-3, Protest after Award (AUG 1996) (31 U.S.C. 3553).

(3) 52.233-4, Applicable Law for Breach of Contract Claim (OCT 2004) (Pub. L. 108-77, 108-78).

(b) The Contractor shall comply with the FAR clauses in this paragraph (b) that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items: [Contracting Officer check as appropriate.]

___ (1) 52.203-6, Restrictions on Subcontractor Sales to the Government (SEP 2006), with Alternate I (OCT 1995) (41 U.S.C. 253g and 10 U.S.C. 2402).

___ (2) 52.203-13, Contractor Code of Business Ethics and Conduct (DEC 2008) (Pub. L. 110-252, Title VI, Chapter 1 (41 U.S.C. 251 note)).

___ (3) 52.203-15, Whistleblower Protections under the American Recovery and Reinvestment Act of 2009 (MAR 2009) (Section 1553 of Pub. L. 111-5). (Applies to contracts funded by the American Recovery and Reinvestment Act of 2009.)

___ (4) 52.204-11, American Recovery and Reinvestment Act-- Reporting Requirements (MAR 2009) (Pub. L. 111-5).

___ (5) 52.219-3, Notice of Total HUBZone Set-Aside (JAN 1999) (15 U.S.C. 657a).

___ (6) 52.219-4, Notice of Price Evaluation Preference for HUBZone Small Business Concerns (JUL 2005) (if the offeror elects to waive the preference, it shall so indicate in its offer) (15 U.S.C. 657a).

___ (7) [Reserved]

XX (8) (i) 52.219-6, Notice of Total Small Business Set-Aside (JUN 2003) (15 U.S.C. 644).

___ (ii) Alternate I (OCT 1995) of 52.219-6

___ (iii) Alternate II (MAR 2004) of 52.219-6

___ (9) (i) 52.219-7, Notice of Partial Small Business Set-Aside (JUN 2003) (15 U.S.C. 644).

___ (ii) Alternate I (OCT 1995) of 52.219-7

___ (iii) Alternate II (MAR 2004) of 52.219-7

___ (10) 52.219-8, Utilization of Small Business Concerns (MAY 2004) (15 U.S.C. 637(d)(2) and (3)).

___ (11) (i) 52.219-9, Small Business Subcontracting Plan (APR 2008) (15 U.S.C. 637(d)(4)).

___ (ii) Alternate I (OCT 2001) of 52.219-9

___ (iii) Alternate II (OCT 2001) of 52.219-9

- ___ (12) 52.219-14, Limitations on Subcontracting (DEC 1996) (15 U.S.C. 637(a)(14)).
- ___ (13) 52.219-16, Liquidated Damages--Subcontracting Plan (JAN 1999) (15 U.S.C. 637(d)(4)(F)(i)).
- ___ (14) (i) 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns (OCT 2008) (10 U.S.C. 2323) (if the offeror elects to waive the adjustment, it shall so indicate in its offer).
- ___ (ii) Alternate I (JUN 2003) of 52.219-23.
- ___ (15) 52.219-25, Small Disadvantaged Business Participation Program--Disadvantaged Status and Reporting (APR 2008) (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).
- ___ (16) 52.219-26, Small Disadvantaged Business Participation Program--Incentive Subcontracting (OCT 2000) (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).
- ___ (17) 52.219-27, Notice of Total Service-Disabled Veteran-Owned Small Business Set-Aside (MAY 2004) (15 U.S.C. 657 f).
- XX (18) 52.219-28, Post Award Small Business Program Rerepresentation (APR 2009) (15 U.S.C. 632(a)(2)).
- ___ (19) 52.222-3, Convict Labor (JUN 2003) (E.O. 11755).
- ___ (20) 52.222-19, Child Labor--Cooperation with Authorities and Remedies (FEB 2008) (E.O. 13126).
- XX (21) 52.222-21, Prohibition of Segregated Facilities (FEB 1999).
- XX (22) 52.222-26, Equal Opportunity (MAR 2007) (E.O. 11246).
- ___ (23) 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (SEP 2006) (38 U.S.C. 4212).
- ___ (24) 52.222-36, Affirmative Action for Workers with Disabilities (JUN 1998) (29 U.S.C. 793).
- ___ (25) 52.222-37, Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (SEP 2006) (38 U.S.C. 4212).
- ___ (26) 52.222-39, Notification of Employee Rights Concerning Payment of Union Dues or Fees (DEC 2004) (E.O. 13201).
- ___ (27) 52.222-54, Employment Eligibility Verification (JAN 2009). (Executive Order 12989). (Not applicable to the acquisition of commercially available off-the-shelf items or certain other types of commercial items as prescribed in 22.1803.)
- ___ (28) (i) 52.223-9, Estimate of Percentage of Recovered Material Content for EPA-Designated Items (MAY 2008) (42 U.S.C. 6962(c)(3)(A)(ii)). (Not applicable

to the acquisition of commercially available off-the-shelf items.)

- (ii) Alternate I (MAY 2008) of 52.223-9 (42 U.S.C. 6962(i)(2)(C)). (Not applicable to the acquisition of commercially available off-the-shelf items.)
- (29) 52.223-15, Energy Efficiency in Energy-Consuming Products (DEC 2007) (42 U.S.C. 8259b).
- (30) (i) 52.223-16, IEEE 1680 Standard for the Environmental Assessment of Personal Computer Products (DEC 2007) (E.O. 13423).
- (ii) Alternate I (DEC 2007) of 52.223-16
- (31) 52.225-1, Buy American Act--Supplies (FEB 2009) (41 U.S.C. 10a-10d).
- (32) (i) 52.225-3, Buy American Act--Free Trade Agreements--Israeli Trade Act (JUN 2009) (41 U.S.C. 10a-10d, 19 U.S.C. 3301 note, 19 U.S.C. 2112 note, 19 U.S.C. 3805 note, Pub. L. 108-77, 108-78, 108-286, 108-302, 109-53, 109-169, 109-283, and 110-138).
- (ii) Alternate I (JAN 2004) of 52.225-3.
- (iii) Alternate II (JAN 2004) of 52.225-3.
- (33) 52.225-5, Trade Agreements (JUN 2009) (19 U.S.C. 2501, et seq., 19 U.S.C. 3301 note).
- XX (34) 52.225-13, Restrictions on Certain Foreign Purchases (JUN 2008) (E.O.'s, proclamations, and statutes administered by the Office of Foreign Assets Control of the Department of the Treasury).
- (35) 52.226-4, Notice of Disaster or Emergency Area Set-Aside (NOV 2007) (42 U.S.C. 5150).
- (36) 52.226-5, Restrictions on Subcontracting Outside Disaster or Emergency Area (NOV 2007) (42 U.S.C. 5150).
- (37) 52.232-29, Terms of Financing of Purchases of Commercial Items (FEB 2002) (41 U.S.C. 255(f), 10 U.S.C. 2307(f)).
- (38) 52.232-30, Installment Payments for Commercial Items (OCT 1995) (41 U.S.C. 255(f), 10 U.S.C. 2307(f)).
- XX (39) 52.232-33, Payment by Electronic Funds Transfer--Central Contractor Registration (OCT 2003) (31 U.S.C. 3332).
- (40) 52.232-34, Payment by Electronic Funds Transfer--Other than Central Contractor Registration (MAY 1999) (31 U.S.C. 3332).
- (41) 52.232-36, Payment by Third Party (MAY 1999) (31 U.S.C. 3332).

___ (42) 52.239-1, Privacy or Security Safeguards (AUG 1996) (5 U.S.C. 552a).

___ (43) (i) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (FEB 2006) (46 U.S.C. Appx. 1241(b) and 10 U.S.C. 2631).

___ (ii) Alternate I (APR 2003) of 52.247-64.

(c) The Contractor shall comply with the FAR clauses in this paragraph (c), applicable to commercial services, that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items: [Contracting Officer check as appropriate.]

___ (1) 52.222-41, Service Contract Act of 1965, (NOV 2007) (41 U.S.C. 351, et seq.).

___ (2) 52.222-42, Statement of Equivalent Rates for Federal Hires (MAY 1989) (29 U.S.C. 206 and 41 U.S.C. 351, et seq.).

___ (3) 52.222-43, Fair Labor Standards Act and Service Contract Act--Price Adjustment (Multiple Year and Option Contracts) (NOV 2006) (29 U.S.C. 206 and 41 U.S.C. 351, et seq.).

___ (4) 52.222-44, Fair Labor Standards Act and Service Contract Act--Price Adjustment (FEB 2002) (29 U.S.C. 206 and 41 U.S.C. 351, et seq.).

___ (5) 52.222-51, Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment--Requirements (NOV 2007) (41 U.S.C. 351, et seq.).

___ (6) 52.222-53, Exemption from Application of the Service Contract Act to Contracts for Certain Services--Requirements (FEB 2009) (41 U.S.C. 351, et seq.).

___ (7) 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations (MAR 2009) (Pub. L. 110-247).

___ (8) 52.237-11, Accepting and Dispensing of \$1 Coin (SEP 2008) (31 U.S.C. 5112(p)(1)).

(d) Comptroller General Examination of Record. The Contractor shall comply with the provisions of this paragraph (d) if this contract was awarded using other than sealed bid, is in excess of the simplified acquisition threshold, and does not contain the clause at 52.215-2, Audit and Records--Negotiation.

(1) The Comptroller General of the United States, or an authorized representative of the Comptroller General, shall have access to and right to examine any of the Contractor's directly pertinent records involving transactions related to this contract.

(2) The Contractor shall make available at its offices at all reasonable times the records, materials, and other evidence for examination, audit, or reproduction, until 3 years after final payment under this contract or for any shorter period specified in FAR Subpart 4.7, Contractor Records Retention, of the other clauses of this contract. If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement. Records

relating to appeals under the disputes clause or to litigation or the settlement of claims arising under or relating to this contract shall be made available until such appeals, litigation, or claims are finally resolved.

- (3) As used in this clause, records include books, documents, accounting procedures and practices, and other data, regardless of type and regardless of form. This does not require the Contractor to create or maintain any record that the Contractor does not maintain in the ordinary course of business or pursuant to a provision of law.
- (e) (1) Notwithstanding the requirements of the clauses in paragraphs (a), (b), (c) and (d) of this clause, the Contractor is not required to flow down any FAR clause, other than those in this paragraph (e)(1) in a subcontract for commercial items. Unless otherwise indicated below, the extent of the flow down shall be as required by the clause--
- (i) 52.203-13, Contractor Code of Business Ethics and Conduct (DEC 2008) (Pub. L. 110-252, Title VI, Chapter 1 (41 U.S.C. 251 note)).
 - (ii) 52.219-8, Utilization of Small Business Concerns (MAY 2004) (15 U.S.C. 637(d)(2) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds \$550,000 (\$1,000,000 for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.
 - (iii) [Reserved]
 - (iv) 52.222-26, Equal Opportunity (MAR 2007) (E.O. 11246).
 - (v) 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (SEP 2006) (38 U.S.C. 4212).
 - (vi) 52.222-36, Affirmative Action for Workers with Disabilities (JUN 1998) (29 U.S.C. 793).
 - (vii) 52.222-39, Notification of Employee Rights Concerning Payment of Union Dues or Fees (DEC 2004) (E.O. 13201).
 - (vii) 52.222-41, Service Contract Act of 1965, (NOV 2007) (41 U.S.C. 351, et seq.).
 - (ix) 52.222-50, Combating Trafficking in Persons (FEB 2009) (22 U.S.C. 7104(g)).

___ Alternate I (Aug 2007) of 52.222-50 (22 U.S.C. 7104(g)).
 - (x) 52.222-51, Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment--Requirements (NOV 2007) (41 U.S.C. 351, et seq.).
 - (xi) 52.222-53, Exemption from Application of the Service Contract Act to Contracts for Certain Services--Requirements (FEB 2009) (41 U.S.C. 351 et seq.).

- (xii) 52.222-54, Employment Eligibility Verification (JAN 2009)
- (xiii) 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations (MAR 2009) (Pub. L. 110-247). Flow down required in accordance with paragraph (e) of FAR clause 52.226-6.
- (xiv) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (FEB 2006) (46 U.S.C. Appx. 1241(b) and 10 U.S.C. 2631). Flow down required in accordance with paragraph (d) of FAR clause 52.247-64.

- (2) While not required, the contractor may include in its subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.

[End of Clause]

P.3 3052.209-70 PROHIBITION ON CONTRACTS WITH CORPORATE EXPATRIATES (JUN 2006)

- (a) Prohibitions.

Section 835 of the Homeland Security Act, 6 U.S.C. 395, prohibits the Department of Homeland Security from entering into any contract with a foreign incorporated entity which is treated as an inverted domestic corporation as defined in this clause, or with any subsidiary of such an entity. The Secretary shall waive the prohibition with respect to any specific contract if the Secretary determines that the waiver is required in the interest of national security.

- (b) Definitions. As used in this clause:

"Expanded Affiliated Group" means an affiliated group as defined in section 1504(a) of the Internal Revenue Code of 1986 (without regard to section 1504(b) of such Code), except that section 1504 of such Code shall be applied by substituting "more than 50 percent" for "at least 80 percent" each place it appears.

"Foreign Incorporated Entity" means any entity which is, or but for subsection (b) of section 835 of the Homeland Security Act, 6 U.S.C. 395, would be, treated as a foreign corporation for purposes of the Internal Revenue Code of 1986.

"Inverted Domestic Corporation." A foreign incorporated entity shall be treated as an inverted domestic corporation if, pursuant to a plan (or a series of related transactions)--

- (1) The entity completes the direct or indirect acquisition of substantially all of the properties held directly or indirectly by a domestic corporation or substantially all of the properties constituting a trade or business of a domestic partnership;
- (2) After the acquisition at least 80 percent of the stock (by vote or value) of the entity is held--
 - (i) In the case of an acquisition with respect to a domestic corporation, by former shareholders of the domestic corporation by reason of holding stock in the

domestic corporation; or

(ii) In the case of an acquisition with respect to a domestic partnership, by former partners of the domestic partnership by reason of holding a capital or profits interest in the domestic partnership; and

(3) The expanded affiliated group which after the acquisition includes the entity does not have substantial business activities in the foreign country in which or under the law of which the entity is created or organized when compared to the total business activities of such expanded affiliated group.

"Person", "domestic", and "foreign" have the meanings given such terms by paragraphs (1), (4), and (5) of section 7701(a) of the Internal Revenue Code of 1986, respectively.

(c) Special rules. The following definitions and special rules shall apply when determining whether a foreign incorporated entity should be treated as an inverted domestic corporation.

(1) Certain stock disregarded. For the purpose of treating a foreign incorporated entity as an inverted domestic corporation these shall not be taken into account in determining ownership:

(i) Stock held by members of the expanded affiliated group which includes the foreign incorporated entity; or

(ii) Stock of such entity which is sold in a public offering related to an acquisition described in section 835(b)(1) of the Homeland Security Act, 6 U.S.C. 395(b)(1).

(2) Plan deemed in certain cases. If a foreign incorporated entity acquires directly or indirectly substantially all of the properties of a domestic corporation or partnership during the 4-year period beginning on the date which is 2 years before the ownership requirements of subsection (b)(2) are met, such actions shall be treated as pursuant to a plan.

(3) Certain transfers disregarded. The transfer of properties or liabilities (including by contribution or distribution) shall be disregarded if such transfers are part of a plan a principal purpose of which is to avoid the purposes of this section.

(d) Special rule for related partnerships. For purposes of applying section 835(b) of the Homeland Security Act, 6 U.S.C. 395 (b) to the acquisition of a domestic partnership, except as provided in regulations, all domestic partnerships which are under common control (within the meaning of section 482 of the Internal Revenue Code of 1986) shall be treated as a partnership.

(e) Treatment of Certain Rights.

(1) Certain rights shall be treated as stocks to the extent necessary to reflect the present value of all equitable interests incident to the transaction, as follows:

(i) Warrants;

(ii) Options;

- (iii) Contracts to acquire stock;
- (iv) Convertible debt instruments;
- (v) Others similar interests.

(2) Rights labeled as stocks shall not be treated as stocks whenever it is deemed appropriate to do so to reflect the present value of the transaction or to disregard transactions whose recognition would defeat the purpose of section 835.

(f) Disclosure. The offeror under this solicitation represents that [Check one]:

it is not a foreign incorporated entity that should be treated as an inverted domestic corporation pursuant to the criteria of (HSAR) 48 CFR 3009.104-70 through 3009.104-73;

it is a foreign incorporated entity that should be treated as an inverted domestic corporation pursuant to the criteria of (HSAR) 48 CFR 3009.104-70 through 3009.104-73, but it has submitted a request for waiver pursuant to 3009.104-74, which has not been denied; or

it is a foreign incorporated entity that should be treated as an inverted domestic corporation pursuant to the criteria of (HSAR) 48 CFR 3009.104-70 through 3009.104-73, but it plans to submit a request for waiver pursuant to 3009.104-74.

(g) A copy of the approved waiver, if a waiver has already been granted, or the waiver request, if a waiver has been applied for, shall be attached to the bid or proposal.

[End of Clause]

P.4 CONTRACT TYPE (JUL 2009)

This is a firm-fixed price contract, order, or BPA.

[End of Clause]

