

1. REQUISITION NUMBER EDOFSA-09-000189	PAGE 1 OF 78
5. SOLICITATION NUMBER	6. SOLICITATION ISSUE DATE
b. TELEPHONE NUMBER <i>(No collect calls)</i>	8. OFFER DUE DATE/ LOCAL TIME

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ED OR ☐ SET ASIDE: % FOR:

☐ SMALL BUSINESS ☐ EMERGING SMALL BUSINESS

☐ HUBZONE SMALL BUSINESS

☐ SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS ☐ 8(A)

CONTRACT IS A ORDER UNDER (5 CFR 700)	13b. RATING
	14. METHOD OF SOLICITATION <input type="checkbox"/> RFQ <input type="checkbox"/> IFB <input type="checkbox"/> RFP

BY	CODE	FSA-FS2
Department of Education t Aid/Mission Support Group - Suite 91F3		

ALL BE MADE BY	CODE	FSA-BUD
Invoice Admin		
Department of Education/FSA/CFO/BG/FSAA		
Room 1000, NE, Suite 54B1		
Contract 20202-0001		

ADDITIONAL ADDRESSES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BLOCK
CHECKED ☐ SEE ADDENDUM

21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT

26. TOTAL AWARD AMOUNT (For Govt. Use Only)	\$1.00
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RE ATTACHED. ADDENDA	<input type="checkbox"/>	ARE	<input type="checkbox"/>	ARE NOT ATTACHED
ED. ADDENDA	<input checked="" type="checkbox"/>	ARE	<input type="checkbox"/>	ARE NOT ATTACHED

AWARD OF CONTRACT: REF. _____ OFFER
 _____ . YOUR OFFER ON SOLICITATION
 (SOLICITATION NO. 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE
 SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS:

S OF AMERICA (SIGNATURE OF CONTRACTING OFFICER)

TRACTING OFFICER (Type or print)	31c. DATE SIGNED
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SCHEDULE Continued

ITEM NO.	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE \$	AMOUNT \$
0001	2009 PCA Task Order Award For Debt Collection and Administrative Resolution Services. See continuation pages for details. Award CLIN (For award purposes only)	1.00	SE	1.00	1.00
	Accounting and Appropriation Data: 4253XNOYR.B.CONV.EN000000.A25.2521A.000.000.0000.000000 \$1.00				
0002	Direct Loan (DL) (4253)	0.00	SE	0.00	0.00
0003	Federal Family Education Loan (FFEL) Financing (4251)	0.00	SE	0.00	0.00
0004	Federal Family Education Loan (FFEL) Liquidating (0230)	0.00	SE	0.00	0.00
0005	National Direct Student Loan (NDSL), Pell, and SEOG (5557)	0.00	SE	0.00	0.00
0006	Smart Loans	0.00	SE	0.00	0.00
0007	Reserved	0.00	SE	0.00	0.00

SECTION B – SUPPLIES OR SERVICES AND PRICES/COSTS**B.1 GENERAL**

This Task Order is issued in accordance with the General Services Administration's (GSA) Financial and Business Solutions (FABS) Schedule under Special Item Number (SIN) 520-4 for private collection services.

B.2 TYPE OF CONTRACT

This is a Performance-Based, Firm Fixed Price Task Order award, with provisions for pricing arrangements.

B.3 ORDERING PERIODS

The first Ordering Period for the Task Orders will be from July 1, 2009 (the effective date) through twenty-four (24) months, with multiple, optional ordering periods. The total Ordering Period, excluding any award term(s) earned, will not exceed 60 months from the date of initial data transfer, or October 22, 2009. This is not a multiyear contract as defined in FAR 17.1.

- 1) In addition, each contractor shall continue to work on accounts it retains during the **In-Repayment Retention Period**. Upon expiration of the Ordering Period(s) of this Task Order, the in-repayment retention period will begin. If the Government exercises one or more Optional Ordering Periods, the In-Repayment Retention Period shall begin subsequent to the last Optional Ordering Period exercised. The in-repayment retention period will run for twenty-four (24) months, except that upon return, recall or transfer of all accounts from this Task Order, the in-repayment retention period will end. During the in-repayment retention period, the Contractor may retain, except as provided in paragraph (3) below, accounts that remain in repayment in accordance with the SOW. No transfer of accounts to the Contractor will occur during the in-repayment retention period.
- 2) Prior Private Collection Agency (PCA) Task Orders—If the Contractor holds a prior Task Order (e.g. one awarded in the year 2004) with ED for debt collection services, at any time during the in-repayment retention period of that prior Task Order, ED may transfer any or all accounts from that prior Task Order to this Task Order. Accounts transferred under this provision are subject to the prices and terms of this Task Order, except that the transferred accounts would *not* be included in the Competitive Performance and Continuous Surveillance (CPCS) performance indicators.
- 3) Subsequent PCA Task Orders—If the Contractor enters into a subsequent Task Order or contract with ED for debt collection services, at any time during the in-repayment retention period of this Task Order, ED may transfer any or all accounts from this Task Order to the new Task Order or contract. Accounts transferred under this provision will be subject to the prices and terms of the Task Order or contract to which the accounts are transferred.

B.4 PROVISIONS FOR PRICING AND PAYMENT

- A. The total amount obligated and available for payment under this Task Order is \$ 1 . Payment shall be made in accordance with the terms of the GSA Schedule Contract and the Pricing Schedule shown in Clause B.5 and with any other supplemental payment scheme that may otherwise be negotiated and specified.
- B. The Government shall have the right to unilaterally increase the amount of obligated funds under this order at any time in order to provide sufficient funds to cover the anticipated

- volume of services or supplies for the remainder of the term. Additional funds will be obligated on appropriate modifications signed by the Contracting Officer.
- C. The Government shall also have the right to unilaterally decrease the amount of this order in the same manner as above.

B.5 PRICING SCHEDULE

B.5.1 Commissions and Fees will be fixed for the price categories listed below and shall apply to the first Ordering Period and the optional Ordering Periods.

<u>Category</u>	<u>Commission/Fee</u>
-----------------	-----------------------

Regular Payments

Pricing Alternative #1

- | | |
|--------------|----------------------|
| ○ Direct | <u>16.0%</u> /dollar |
| ○ Non-Direct | <u>17.5%</u> /dollar |

Pricing Alternative #2

- | | |
|--------------------------|----------------------|
| ○ First-placement Direct | <u>15.0%</u> /dollar |
| ○ Secondary placements | <u>17.5%</u> /dollar |

Administrative Wage Garnishment (AWG)

Pricing Alternative #1

- Payments will be made based on Regular Payment Alternative in use

Pricing Alternative # 2	<u>14.0%</u> /dollar
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Final Rehabilitation

Pricing Alternative #1

- | | |
|--------------|----------------------|
| ○ Direct | <u>13.5%</u> /dollar |
| ○ Non-Direct | <u>15.0%</u> /dollar |

Pricing Alternative #2

- | | |
|--------------------------|----------------------|
| ○ First-placement Direct | <u>12.5%</u> /dollar |
| ○ Secondary placements | <u>15.0%</u> /dollar |

Final Consolidation

- | | |
|--------------|---------------------|
| ○ Direct | <u>6.5%</u> /dollar |
| ○ Non-Direct | <u>6.5%</u> /dollar |

Administrative Resolution (AR) Fee

AR Pricing \$50/per AR unit

B.5.2 Pricing Alternatives

B.5.2.1 Commission Alternatives

The Government shall have the unilateral right to select either Pricing Alternative #1 or Pricing Alternative #2 at any time. The Government may exercise its right to select a Pricing Alternative by the Contracting Officer giving written notice to the Contractor at least 60 days before the effective date of the change. The Government may exercise its right to change Pricing Alternatives as many times as it chooses. Unless the Government exercises its right to make a change, Pricing Alternative #1, for Regular Payments and AWG Payments, shall be used.

- (1) Under Pricing Alternative #1, the "Direct" category includes all Federal Direct Student Loan (FDSL) debts or any other debts, which are bought or made by the Department, assigned to the Contractor. "Non-Direct" includes all other debts assigned to the Contractor.
- (2) Under Pricing Alternative #2, the "First-Placement Direct" category includes FDSL debts, and any other debts owned by the Department, which have not been previously assigned to any ED PCA contractor. Secondary placements include all other debts assigned to the Contractor. In most cases, another PCA or a Guaranty Agency will have previously attempted to collect secondary placement debts.

B.5.2.2 Administrative Resolution Fee Alternatives

The Government shall have the unilateral right to select either AR Pricing Alternative #1 or AR Pricing Alternative #2 at any time. The Government may exercise its right to select a Pricing Alternative by the Contracting Officer giving written notice to the Contractor at least 15 days before the effective date of the change. The Government may exercise its right to change Pricing Alternatives as many times as it chooses. Unless the Government exercises its right to make a change, AR Pricing Alternative #1 shall be used.

- (1) Under AR Pricing Alternative #1, the number of administrative resolution units will vary by AR type in accordance with Section 3.4 of the SOW.
- (2) Under AR Pricing Alternative #2, all types of administrative resolutions will be paid on the basis of 3 AR units each. ED anticipates this alternative would be used if AR Pricing Alternative #1 is not feasible due to system limitations or other factors.

B.5.3 Regular Payments

Under Pricing Alternative #1, the Contractor shall be paid the **17.5%** commission on regular non-Direct Loan payments and **16.0%** commission on FDSL payments, excluding payments received as a result of Administrative Wage Garnishment (AWG). Under Pricing Alternative #2, the Contractor shall be paid the **17.5%** commission on payments received on secondary placements and **15.0%** commission on first-placement FDSL payments, excluding payments received as a result of Administrative Wage Garnishment (AWG).

B.5.4 Administrative Wage Garnishment (AWG)

Under Alternative #1, the Contractor shall be paid the same rate as Regular Payments as described in Regular Payments Alternative #1. For Alternative #2, the Contractor shall be paid the **14%** commission on payments received as a result of AWG.

B.5.5 Final Consolidation

The Contractor will be paid the commission rate of **6.5%** on the final payoff value of the debts consolidated provided the borrower meets all regulatory and statutory requirements, as well as any additional requirements set by Federal Student Aid (FSA), the consolidation lender or that lender's guarantor.

In addition, the borrower must have made six (6) consecutive monthly payments each of which equals or exceeds 0.5% of the total balance to be consolidated and was made in the 140 days preceding the date on which the account is certified for consolidation. Payments of 1% or greater are considered reasonable and affordable and no financial statement is required.

Payments of less than 1% will require a financial statement. If the borrower has not met the payment requirements above, the Contractor shall be paid no commission on the Lender's consolidation payment.

B.5.6 Rehabilitations

For rehabilitations under Pricing Alternative #1, the Contractor will be paid the commission rate of 15.0% on the final payoff amount of non-Direct loans rehabilitated and 13.5% on the final transfer value of FDSL debts rehabilitated provided the borrower meets all regulatory and statutory requirements. For rehabilitations under Pricing Alternative #2, the Contractor will be paid the commission rate of 12.5% on the final transfer value of first-placement FDSL debts rehabilitated, 15.0% on the final transfer value of secondary-placement FDSL debts rehabilitated, and 15.0% on the final payoff amount of FFEL loans rehabilitated provided the borrower meets all regulatory and statutory requirements. In addition under both Pricing Alternatives, the borrower must make nine (9) voluntary (to be considered "timely," a borrower's payment must be received within 20 days of the monthly due date) payments equal to the minimum required percentage of the final payoff or transfer value (i.e. combined principal, interest, fees and projected collection costs). Payments of this amount are automatically considered reasonable and affordable, and no financial statement is required to substantiate these payments. If the borrower's account is rehabilitated and the nine (9) timely payments are less than the minimum required, the account will be considered an "Administrative Rehabilitation" and the Contractor will be paid based on the administrative resolution units applicable to an Administrative Rehabilitation.

B.5.7 Administrative Resolution Units

The Contractor will be paid a fee of \$50 for each Administrative Resolution Unit completed by the Contractor.

B.5.8 Accounts Not Eligible for Commission or Fee

1. No commission will be paid for any consolidation or rehabilitation where any of the borrower's voluntary monthly payments do not equal or exceed the required amounts.
2. No commission will be paid for any consolidation or rehabilitation where it is determined that, at the request of the Contractor, effective dates of the required payments have been changed or altered.
3. No commission shall be paid for any consolidation or rehabilitation where the borrower, prior to consolidation or rehabilitation, qualified for write-off of the loan for reasons including, but not limited to, permanent and total disability, fraud, bankruptcy, death, and close school and false certification claims.
4. No commission will be paid if the Contractor has not counseled the borrower on his or her eligibility for such write-offs, both orally and in writing. Written counseling must be done via a Department-approved or created letter, and oral counseling must be documented on the Department of Education (ED) system.
5. The Contractor will not be paid a commission fee on any defaulted Consolidation Loan that has been re-consolidated.
6. No commission shall be paid on any account consolidated where a wage garnishment payment had posted in the 90 days prior to certification. This does not include voluntary payments miscoded by the Department as wage garnishment payments.
7. No commission shall be paid on any nonstandard compromise in excess of the following limits per CPCS period:
 - 6 for a contractor in the Unrestricted Pool and

- 3 for a contractor in the Small Business Pool.
(Unused limits do *not* carry over to subsequent CPCS periods.)
- 8. Unless ED approves an exception, no commission or fee will be paid for any consolidation, rehabilitation or administrative resolution where the PCA or the borrower did not meet any material (as determined by the Government) written requirement established by the Government.
- 9. No commission shall be paid on any compromise payment where compromise procedures were not followed (i.e., the compromise agreement letter is not sent to the borrower, the compromise information is not documented on the ED notepad, etc.).

If, in any of the above instances, the Department inadvertently pays a commission, the Department reserves the right to subsequently recover any such commission from the Contractor.

10. The pricing schedule does not include any bonus incentive fees. Refer to Clause H.6, "Special Task Order Bonus Payment Plan."

B.6 CONTRACT LINE ITEMS (CLINs)

The following Contract Line Items (CLINs) are hereby incorporated into the Task Order:

CLIN No.	Description/Type of Money
0001	Award CLIN (For award purposes only)
0002	Direct Loan (DL) (4253)
0003	Federal Family Education Loan (FFEL) Financing (4251)
0004	Federal Family Education Loan (FFEL) Liquidating (0230)
0005	National Direct Student Loan (NDSL), Pell, and SEOG (5557)
0006	Smart Loans
0007	Reserved

B.7 DESCRIPTION OF PRICE CATEGORIES

B.7.1 Commission Fee

Commissions shall be paid to the Contractor on dollars collected under the Task Orders at the rates specified in Section B.5 above.

The dollars eligible for Contractor commissions are those deposited net dollars (total deposit less any returned checks). The Contractor shall receive commission on any payment received eight (8) calendar days or more after the date the account is transferred to the Contractor and up to fourteen (14) calendar days after the date the account is returned to the Government.

The Contractor shall also receive commissions on an account that was approved for compromise and the dollars (certified funds, money order, etc.) were posted and deposited up to thirty (30) calendar days from the date the account is returned.

The Contractor shall not be paid a commission for the following:

- 1) Dollars received by the Government within seven (7) calendar days after the Government transferred the account to the Contractor. The Government has sent collection letters and payments resulting from the Government's efforts will not be eligible for commission.

- 2) School, lender or other third party payments. Such payments are not considered repayments from the borrower, but reimbursements of a portion of debts paid by the Government. Should a borrower pay the school or lender fifteen (15) calendar days after the date of the transfer to the Contractor, the Contractor shall provide complete documentation of that account before any commission may be paid.
- 3) Lender repurchases of FFEL debts.
- 4) Unidentified payments. Such payments, not posted to the account of any borrower are not subject to commission payment.
- 5) Any adjustment to the outstanding balance of accounts through administrative resolution including amounts waived through write-off, compromise, cancellation or closure due to the borrower's death, disability, bankruptcy or incarceration.
- 6) Dollars collected in excess of an individual's balance, resulting in overpayment by the borrower.
- 7) Dollars received on any account fifteen (15) calendar days or later from the date the account was returned to the Government.
- 8) Dollars received through any Federal, State or local government salary offset, refund, garnishment (with the exception of administrative wage garnishment initiated by the Contractor), cancellations (i.e. teacher, military, Peace Corp, etc.), or other administrative action that results in the reduction or elimination of the debt in a manner beyond the scope of the Contractor's performance.

B.7.2 Commission Adjustment

Nonstandard Compromises—Subject to the limitations in this paragraph, the Contractor may, without prior approval from the Government, offer a borrower a compromise that goes beyond the current compromise standards set by the Government. A contractor in the Unrestricted Pool is limited to no more than 6 nonstandard compromises in any single quarter. A contractor in the Small Business Pool is limited to no more than 3 nonstandard compromises in any single quarter. (Unused allowances do not carry over to subsequent quarters.) The Government may, at its sole discretion, set further limits on the use of nonstandard compromises. If the borrower accepts a nonstandard compromise offer, the Contractor is responsible for the netback difference between the nonstandard compromise settlement and the applicable compromise standard set by the Government. The Contractor must properly notify ED when providing a nonstandard compromise. The Government shall reduce the Contractor's commissions on any nonstandard compromise settlement made by the Contractor. In instances where the Contractor offered a nonstandard compromise amount, the commission adjustment shall be based on the netback dollars to the Government. Example:

Borrower's total balance is \$13,125. The Contractor compromises in conflict with the Government's current compromise standards and collects \$8,000 and is initially paid a commission fee of \$1,400 (17.5%). The Government recovers \$6,600.

Under the applicable compromise standards, the Contractor would only have accepted a compromise agreement under which the borrower pays \$10,500. The resultant netback to the Government would have been \$8,662.50. The Government has lost \$2,025 (\$8,662.50 minus \$6,600 = \$2,062.50); therefore, the Government will deduct \$2,062.50 from the Contractor's next commission payment.

Bankruptcy—In the case of bankruptcy, where the Contractor fails to forward the bankruptcy documents to the Litigation Branch within three (3) calendar days from date of receipt of the documentation, the Government shall reduce the Contractor's overall commission by an amount equal to the amount the Government would have recovered in the course of the bankruptcy adjudication (if any recovery would have been made).

Administrative Resolution Fee—The Contractor shall be paid a fixed fee for each administrative resolution unit performed under this Task Order, as defined in the Statement of Work. The Contractor must have completed the requirements stated within the Statement of Work and, if applicable, the accounts have been systematically returned on the ED Collections System before the Contractor will be eligible to be paid the administrative resolution fee.

B.8 Invoice/Voucher Procedures

- A. Payments under this Task Order are based on data maintained in ED's systems. Each month, the Government will prepare and send an invoice to the Contractor. The Government will also send detailed documentation supporting the amounts on the invoice. The Contractor shall review these materials and return the invoice via e-mail in order to be paid for products and/or services rendered under this Task Order. (The Contractor should only e-mail the primary invoice, not the supporting detail, which is already collected and maintained by the COR.) The parties agree that the e-mail message returning the invoice to ED will constitute an electronic signature indicating the Contractor's approval of the invoice.

If the Contractor does not agree with any part of the invoice, the Contractor shall immediately notify the Government at the invoice correction contact point indicated by the Government. The Contractor shall not make any changes to the invoice (except that the Contractor may add the invoice or voucher number as indicated below.). If changes are needed, the Government will send the Contractor a corrected invoice.

Federal Student Aid's "Designated Billing Office" is:

US Department of Education
Union Center Plaza
Federal Student Aid Administration
830 First Street, N.E. Suite 54B1
Washington, D.C. 20202-0001
E-mail: InvoiceAdmin@ed.gov

The Contractor shall e-mail the invoice to InvoiceAdmin@ed.gov, with "cc" copies to the Contract Specialist and the COR.

- B. The Contractor is responsible for ensuring that the invoice meets the requirements for a "proper" invoice. Normally, the Government will enter the information required on the invoice. The Contractor is responsible for ensuring the accuracy and completeness of the information. At a minimum the following items must be addressed in order for the invoice to be considered "proper" for payment:
- (1) Name and address of the Contractor.
 - (2) Invoice or voucher number. The Invoice or voucher number must be in the format AG###-YEAR-MO, where:

- i. "AG####" is the agency number (e.g., AG555) that FSA has assigned to the Contractor for this Task Order.
 - ii. "YEAR" is the four-digit year (e.g., "2010" for the invoice covering services provided in September 2010)
 - iii. "MO" is the one or two-digit code for the month covered by the invoice (e.g., "9" for the invoice covering services provided in September).
- (3) Invoice Date.
 - (4) The Task Order number must be included on the invoice and be correct.
 - (5) Description, quantity, unit of measure, unit price, and extended price of the item delivered must agree with the contract or order.
 - (6) Terms of any prompt payment discount offered.
 - (7) Name, title, and phone number of persons to be notified in event of defective invoice.
 - (8) The period of time covered by the invoice.

(End of Section B)

SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT**C.1 SCOPE OF ORDER**

See Statement of Work, Attachment A.

C.2 SUBCONTRACTORS AND THIRD PARTIES**C.2.1 Flow-Down Provisions**

The Contractor shall ensure that subcontracts include flow-down provisions where required by clauses incorporated into this Task Order or into the Contractor's GSA Schedule contract. Any subcontract under which the subcontractor will have access to ED data or systems must include provisions incorporating the requirements of Statement of Work Section 6.2, Security Requirements, and clauses H.11 Privacy Act, H.12 Security Clearance and User ID Requests, and H.13 Removal from Project Access.

C.2.2 Consent to Subcontract

If the Contracting Officer provides consent to subcontract, the consent does not constitute an approval of a contract agreement with a subcontractor, nor does it require the Prime contractor to issue the subcontract.

Prior to releasing any data protected by the Privacy Act to a subcontractor (or any third party) the Contractor shall provide to the Government a copy of the subcontract or other documentation demonstrating that the Contractor has met the requirements of paragraph C.2.1 of this clause. The Contractor shall provide a copy of this documentation to the Contract Specialist and Contracting Officer's Representative (COR). The Contractor must obtain the Contracting Officer's consent to proceed before releasing any data protected by the Privacy Act to a subcontractor. The Contractor may request this consent prior to execution of the proposed subcontract.

(End of Section C)

SECTION D - PACKAGING AND MARKING**D.1 FSA 27-1 Labeling of Documents (June 2007)**

The Contractor shall not label any data produced in performance of this contract in a way that would restrict the Government's right to use or release the information. If applicable, the Contractor shall include a legend that identifies sensitive data that should not be released for security reasons. Under FAR clause 52.227-14, Rights in Data-General clause, this data may be used for any purpose the Government deems appropriate. Deliverables shall not contain vendor-specific logos, mottos, watermarks, or holograms.

The Contractor shall not use, particularly for proposals, U.S. Government logos, such as the U.S. Department of Education or Federal Student Aid.

(End of Clause)

(End of Section D)

SECTION E – INSPECTION AND ACCEPTANCE

E.1 ONSITE INSPECTIONS

The Government reserves the right to make periodic, unannounced site inspections of the Contractor's offices and any subcontractor offices(s). The purpose of these inspections shall be to assess contractor performance, particularly in the areas of adherence to the Task Order requirements and applicable legislation, and the security of records.

(End of Section E)

SECTION F – DELIVERIES OR PERFORMANCES**F.1 TRANSFER OF ACCOUNTS**

Accounts shall be transferred to the Contractor throughout the Ordering Period(s) of this Task Order in accordance with the Statement of Work. At the expiration of the Ordering Period(s) of the Task Order, all Government accounts and associated data in the Contractor's possession shall be returned to the Government, and commissions on eligible dollars collected shall cease.

(End of Section F)

SECTION G – TASK ORDER ADMINISTRATION DATA**G.1 GOVERNMENT POINTS OF CONTACT**

The following describes the roles and responsibility of individuals who will be the primary points of contact for the Government on matters regarding contract administration as well as other administrative information. The Government reserves the right to unilaterally change any of these individual assignments at anytime. The base mailing address for Federal Student Aid is constant except for suite numbers.

U.S. Department of Education
Federal Student Aid
Union Center Plaza
Suite # (see table below)
830 First Street, NE
Washington, DC 20202-5405

Written communications shall make reference to the Contract Number and Task Order Number and shall be mailed to the address above.

G.1.1 CONTRACTING OFFICER (CO)

The Contracting Officer (CO) identified in Section G.1 has the overall responsibility for the administration of these Task Orders. The CO, without right of delegation, is the only individual authorized to take actions on behalf of the Government to amend, modify or deviate from the contract terms, conditions, requirements, specifications, details and/or delivery schedules. The CO may delegate certain specific responsibilities to its authorized representative - the CO's Representative (COR). The CO is responsible for overall administration and the final closeout of the contract, and when necessary, shall:

- (a) Provide scope oversight;
- (b) Serve as liaison between the Contractor and the Department;
- (c) Assist in expediting orders;
- (d) Ensure compliance with contract requirements;
- (e) Issue the CO's final decision and handle all contract-level contractual disputes under the Contract Disputes Act; and
- (f) Place all contract modifications against the Contract.

G.1.2 CONTRACTING OFFICER'S REPRESENTATIVE (COR)

- (a) The CO may have several representatives to assist in the monitoring and administering the Task Orders. The COR is responsible for the technical aspects of the contract or the specific Task Order, acting as the technical liaison with the Contractor and any other responsibilities that are specified in the contract or the specific Task Order.
- (b) The COR duties include but are not limited to:
 - (1) Monitor and assure that the contractor performs the technical requirements of the contract;
 - (2) Communicate technical direction to the contractor;
 - (3) Review, evaluate, and comment on any aspect of the contract and its performance to include problem areas, quotes, and technical issues, and to make written recommendations to the CO;

- (4) Preparing technical evaluations to support determinations that requested changes are not outside the scope of the contract;
 - (5) Assist the CO in analyzing a claim, recommend settlement position, and participate in the resolution process;
 - (6) Coordinate site entry for contractor/government personnel as appropriate;
 - (7) Prepare monthly performance evaluations in accordance with the contract Quality Assurance Surveillance Plan (QASP);
 - (8) Advise the CO at the completion of the contract, as to receipt of all items, services, and reports required under the contract, and the compliance with all contract provisions;
 - (9) Provide advice and assistance to the CO in those areas of contract administration that are not specifically covered in this designation.
- (c) The COR is not authorized to make any commitments or otherwise obligate the Government or authorize any change which affect the contract price, terms or conditions. The COR does not have authority to act as agent of the Government under this contract. Any Contractor requests for changes shall be submitted in writing directly to the CO with a copy to the COR. No such changes shall be made without the written authorization of the Contracting Officer. Only the CO has authority to direct or negotiate any changes in the statement of work; modify or extend the period of performance, change the delivery schedule, authorize reimbursement to the Contractor any costs incurred during the performance of this contract or otherwise change any terms and conditions of this contract or accept/reject deliverables.
- (d) The COR may be changed by the Government at any time, notification of the change, including the name and address of the successor COR, will be provided to the Contractor by the CO in writing.

G.2 EDAR 3452.243-70 KEY PERSONNEL (AUG 1987) (TAILORED)

The personnel designated as Key Personnel in this Performance-Based Firm Fixed Price Task Orders are considered to be essential to the work being performed hereunder. This clause and its requirements shall expire exactly one (1) year after the date of contract award.

- (a) Prior to diverting any of the specified individuals to other programs, or otherwise substituting any other personnel for specified personnel, the contractor shall notify the contracting officer in writing, in advance and shall submit justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the contract effort. No diversion or substitution shall be made by the contractor without written consent of the contracting officer; provided, that the contracting officer may ratify a diversion or substitution in writing and that ratification shall constitute the consent of the contracting officer required by this clause. The contractor shall be modified to reflect that addition or deletion personnel.

Such notification shall include:

- (1) An explanation of the circumstances necessitating the substitution;
- (2) A complete résumé of the proposed substitute; and
- (3) Any other information requested by the CO to enable him/her to judge whether or not the Contractor is maintaining the same high quality of personnel that provided the partial basis for award.

- (b) The CO will evaluate such requests and promptly notify the Contractor of his/her approval or disapproval in writing. All disapprovals will require resubmission of another substitution within 15 calendar days by the Contractor.

(c) Designated Key Personnel

The following Contractor personnel are designated as Key for the Task Order:

[Name phone, and email address and contact info of key personnel from offeror's quote to be inserted and submitted by contractor. Duplicate table as necessary to include all key personnel information.]

	Key Personnel	Key Personnel
Name		
Title		
Email		
Telephone		
Fax		
Mailing Address		
Web Site		

	Key Personnel	Key Personnel
Name		
Title		
Email		
Telephone		
Fax		
Mailing Address		
Web Site		

G.3 CONTRACT ADMINISTRATOR

Promptly upon award of this Task Order, the Contractor shall designate one individual as the Contract Administrator for this order and provide the name, address, phone, fax and e-mail address to the CO, Contract Specialist, COR and the Assistant COR. The Contractor shall promptly notify the CO, Contract Specialist, COR and the Assistant COR whenever this information changes.

(End of Section G)

SECTION H – SPECIAL TASK ORDER REQUIREMENTS

H.1 FAR 52.217-9, OPTION TO EXTEND THE TERM OF THE TASK ORDER (Mar 2000) TAILORED

- (a) The Government may extend the term of this Task Order by written notice to the Contractor prior to expiration of the first Ordering Period of the Task Order, provided that the Government gives the Contractor a preliminary written notice of its intent to extend at least 60 days before the Task Order period of performance expires. The preliminary notice does not commit the Government to an extension.
- (b) If the Government exercises this option, the extended Task Order shall be considered to include this option clause.
- (c) The total duration of the first Ordering Period of performance of this Task Order, including the exercise of any optional Ordering Periods under this clause, shall not exceed 60 months from the date of contract award, excluding any award term(s) earned.
- (d) The Government may, at its discretion, exercise option periods of up to 24 months, providing that the total Task Order period of performance does not exceed 60 months from the date of award.

If the Government exercises one or more Optional Periods, the 24-month In-Repayment Retention Period will begin subsequent to the last Optional Period exercised.

H.2 OPTION FOR INCREASED QUANTITY

The Government may unilaterally increase the quantity of accounts transferred to the Contractor by any amount at the prices specified within Section B, "Pricing Schedule", at any time during the Task Order Ordering Period.

H.3 FAR 52.217-8, OPTION TO EXTEND SERVICES (Nov 1999)

The Government may require continued performance of any services within the limits and at the rates specified in the Task Order. These rates may be adjusted only as a result of revisions to prevailing labor rates provided by the Secretary of Labor. This option provision may be exercised more than once, but the total extension of performance hereunder shall not exceed 6 months. The Contracting Officer may exercise the option by written notice to the Contractor prior to expiration of the period of performance of the Task Order.

H.4 AWARD TERM EXTENSION

In addition to the Ordering Periods stated in Clause B.3 and any options terms exercised pursuant to clause H.1, the Contractor may earn performance extensions (hereinafter called "award terms"), based upon the quality of performance during the evaluation periods. If the Contractor has an average CPCS rating of 75 or greater over the life of the Task Order, or the last 12 CPCS periods (whichever is shorter), the Government may, award the Contractor an award-term extension in accordance with the terms of this clause in recognition of the Contractor's excellent or better quality performance.

- (a) Award-term extensions are subject to the following conditions:
 - i. Funds are available;
 - ii. The requirement covered by the award-term fulfills an existing Government need;
 - iii. The contractor accepts the Government's target pricing and terms.
- (b) It is the Government's intent to time any award-term extension so that the extension period will coincide with the award date of the next round of Task Orders. Accordingly, the Contracting

- Officer may, determine whether to award an award-term extension at any time after completion of the Ordering Period of the Task Order.
- (c) The Contracting Officer may award an award-term extension under this clause by providing a written notice to the Contractor prior to expiration of the Ordering Period of the Task Order, provided that the Government gives the Contractor a preliminary written notice of its intent to extend at least 60 days before the Task Order Ordering Period expires. The preliminary notice does not commit the Government to an extension.
 - (d) Decisions regarding the award term are not subject to the Disputes Clause or review by any authority above the Contracting Officer.
 - (e) Any award-term extension under this clause will be executed in the form of a new Task Order issued by the Contracting Officer under the Contractor's then current GSA Schedule contract.
 - i. The award-term Task Order extension will be subject to the terms and conditions of the existing Task Orders, including any extension thereto.
 - ii. The effective date of the award-term Task Order extension may be timed to coincide with the award date of the next round of PCA Task Orders.
 - iii. The Government target prices for the current PCA Task Orders will apply to the award-term extension.
 - iv. If the Contractor is a small business at the time the Contracting Officer issues the award-term Task Order extension, the Contractor will become part of the new Small Business Pool. Otherwise, the Contractor will be included in the new Unrestricted Pool.
 - v. A new CPCS record will be established for the award-term extension to track the Contractors' performance in then new CPCS pool.
 - vi. The Government may transfer any remaining accounts held by the Contractor under this Task Order to the award-term new Task Order, in accordance with provisions in this Task Order and the award-term Task Order.

H.5 CONTRACTOR PERFORMANCE EVALUATION

- (a) The Competitive Performance and Continuous Surveillance (CPCS), an in-depth evaluation, shall be conducted to determine the adequacy of the contractors' performance on all accounts transferred. CPCS will utilize two separate PCA pools for determining contractor standing. PCAs that received Task Order awards under the small business competition (and have not subsequently transferred to the Unrestricted Pool) will be in the Small Business Pool. All other PCA contractors will be in the Unrestricted Pool.
- (b) Several months after the first placement of accounts, the Government shall conduct the first CPCS to measure the relative performance of each PCA contractor during the CPCS surveillance period. This first CPCS surveillance period will run from the first placement of accounts through March 31, 2010. Subsequent CPCS evaluations will be conducted quarterly.
- (c) Each contractor that achieves the highest ranking in one of the three primary performance indicators: Dollars Collected, Accounts Serviced and Administrative Resolutions will receive the total potential points for the respective performance indicator. The points assigned to the remaining contractors for the three performance indicators will be based on the relative percentage each contractor is behind the lead contractor.
- (d) Bonus payments and transfers of new accounts shall be based upon each contractor's total CPCS score. The contractors with the top two or three CPCS scores will receive bonus payments on dollars collected during the evaluation period as described in Section H.6. A contractor's most recent CPCS score will be applicable for all transfers until the completion of the next regular CPCS evaluation.

- (e) The Government will evaluate PCA contractors using the following performance indicators, except as changed in accordance with paragraph (f) of this clause. (All indicators will be measured at two decimal places):

(1) PERFORMANCE INDICATOR #1: DOLLARS COLLECTED PERCENTAGE - 70 Points. The Dollars Collected Percentage will be calculated based upon the following formulas:

Formula #1:

DOLLARS COLLECTED FOR THE GOVERNMENT (DC) –DC is the gross amount the Government realizes before the contractor's commissions have been subtracted from the dollars collected. Dollars collected are defined as regular collections, administrative wage garnishment payments, and the final sale and transfer value of all debts rehabilitated.

Example:

- CA's regular collections and administrative wage garnishment payments sum to \$3,500,000 for the three (3) month period.
- CA's final sale of all debts rehabilitated totaled \$2,500,000 for the three (3) month period.
- Dollars Collected for the Government is \$6,000,000. (\$3,500,000 plus \$2,500,000).

Formula #2:

CURRENT INVENTORY BALANCE (CIB)—CIB is the beginning balance of all accounts held by the Contractor at the end of the previous CPCS period. (The Government will assign a fixed CIB for the first CPCS surveillance period.) The inventory balance is comprised of principal, interest and fees. Projected collection costs are not included.

Example:

- Contractor A's ending inventory for Month 3 of the previous CPCS period is \$250,000,000 and 60,000 accounts.
- For the CPCS surveillance period, the current inventory balance (CIB) is \$200,000,000 and the current inventory of accounts (CIA) is 60,000.

CURRENT INVENTORY OF ACCOUNTS (CIA)—CIA is the same as CIB, except accounts, instead of dollars, are measured.

Formula #3:

AVERAGE INVENTORY BALANCE (AIB)—AIB is the average (mean) CIB from the four most recent CPCS surveillance periods. For the first three CPCS surveillance periods, the AIB will be the average of the CIB from the current and all previous CPCS surveillance periods. The inventory balance is comprised of principal, interest and fees. Projected collection costs are not included.

Example:

- Contractor A's CIB for
 - CPCS period #3 is \$200,000,000
 - CPCS period #4 is \$233,000,000
 - CPCS period #5 is \$242,000,000
 - CPCS period #6 is \$248,000,000
- For CPCS period #6, the average inventory balance (AIB) is \$230,750,000

Formula #4:

DOLLARS COLLECTED PERCENTAGE (DCP)—DCP is a percentage determined by dividing DC by AIB, (DC/AIB).

Example:

- a. There are only two contractors in competition.
- b. The DCP following the preceding examples would be:
- c. DC of \$6,000, 000 divided by AIB of \$230,750,000 equals DCP: 2.60%
- d. Contractor B's DC is \$6,250,000 and its AIB is \$250,000,000.
- e. Contractor B achieves a DCP of 2.50%.
- f. Contractor A achieves the highest DCP during the surveillance period of 2.60%
- g. For Performance Indicator #1, Contractor A will be awarded the full 70 points while Contractor B will be awarded 67.31 points. $[(2.50 / 2.60) \times 70]$.

(2) PERFORMANCE INDICATOR #2: ACCOUNT SERVICING PERCENTAGE (ASP)
- 20 Points.

ASP is the proportion of the sum of the net number of:

- a. Accounts approved, and if required returned, for administrative resolution (only one administration resolution is counted in CPCS per *account* resolved), and
- b. Accounts that had payments received during the CPCS surveillance period.

The ASP would be calculated as follows:

- a. Contractor A submitted and was approved for 1,500 litigation accounts, returned and approved for 500 non-cash account resolutions, and received payments on 3,250 accounts. Total accounts serviced sum to 5,250. The contractor's CIA is 50,000. ASP is 5,250 divided by 50,000 or 10.50%.
- b. Contractor B submitted and was approved for 750 litigation accounts, returned and approved for 250 non-cash account resolutions, and received payments on 2,000 accounts. The total accounts serviced sum to 3,000. The contractor's CIA is 60,000. ASP is 3,000 divided by 60,000 or 5.0%.
- c. For Performance Indicator #2, since Contractor A has the best ASP, Contractor A will be awarded the full 20 points. Contractor B will be awarded 9.52 points. $((5.0/10.50) \times 20)$

(3) PERFORMANCE INDICATOR #3: ADMINISTRATIVE RESOLUTION PERCENTAGE (ARP) - 10 points. ARP is the proportion of accounts prepared and, if required, returned for non-cash resolution to ED. Only one administration resolution is counted in CPCS per *account* resolved. See preceding example for Performance Indicator #2 for calculation methodology.

(4) SMALL BUSINESS SUBCONTRACTING – A plus or minus range of points. This performance indicator only applies to contractors in the Unrestricted Pool. This performance indicator will not be used for CPCS period #1 and will not begin until initiated by the Government. At least thirty days before the start of the first CPCS period to which a Small Business Subcontracting measure will apply, the Government shall provide to the Contractor the measurement factors, relative weights, point range, targets, formulas and methodology related to calculation of the Small Business Subcontracting performance indicator.

When implemented, the Small Business Subcontracting performance indicator will measure contractors' small business subcontracting relative to the targets and intent described in

subsection H.15 (b) of this Task Order. Contractors will receive plus scores for exceeding targets and will receive minus scores for missing targets. Unlike most other CPCS performance indicators, the rating for Small Business Subcontracting may be based on performance during the previous CPCS surveillance period(s).

Similar to the other CPCS performance indicators, the top SQ performer will receive the full points available (The point range for Small Business Subcontracting will be as established by the Government, but will not be greater than +5 to -5).

The Government may eventually incorporate the Small Business Subcontracting performance indicator into the Service Quality performance indicator.

(5) SERVICE QUALITY (SQ) – A plus or minus range of points. The Government may measure a variety of mostly objective factors that contribute to the quality of service provided to ED and its borrowers. These factors may include accuracy and completeness, rejections, bounced checks, customer satisfaction or other factors. In addition, the Government may, at its discretion, incorporate the Small Business Subcontracting performance indicator into the SQ performance indicator.

Unlike most other CPCS performance indicators, the SQ rating may be based on performance during the previous CPCS surveillance period(s). The Government does not plan to apply an SQ measurement at the start of the Task Order. Prior to the first account transfer to which an SQ measure will apply, the Government shall provide to the Contractor the measurement factors, relative weights, point range, targets, formulas and methodology related to calculation of the Service Quality performance indicator.

- (f) The Government reserves the right to change any aspects of the CPCS, including but not limited to the formulas, relative weights assigned to performance indicators, point ranges, possible exclusion of specified types of administrative resolutions from either the ASP or the APR, or the frequency or methodology of calculation. The Government shall give written notice to the Contractor at least thirty days before the start of the first CPCS period affected by a change to any aspect of CPCS set forth elsewhere in this clause.

H.6 SPECIAL TASK ORDER BONUS PAYMENT PLAN

- (a) **Bonus Incentives**—The top performers under these Task Orders set the standards by which all PCA contractors are measured. These high standards help drive better performance by all PCA contractors under the Task Orders. The purpose of the bonus payment plan is to incentivize all contractors and to reward the contractors that provide the best performance under the Task Orders.
- (b) **Ties**—For purposes of earning bonus payments, PCA contractors with CPCS scores that are within one half ($\frac{1}{2}$) point of each other will be considered to be in a tie. If two or more PCA contractors finish in a tie within their respective pool, the Government will pay the bonus percentage to each contractor. If two PCA contractors finish in a tie for first place, the next highest ranked PCA will remain in third place.
- (c) **CPCS Scores**—All bonuses under this clause are based on the Contractor's performance as measured by CPCS. Notwithstanding any other terms of this Task Order, the contractor may not receive a bonus payment if its CPCS score applicable to that bonus is less than 65 points.

- (d) **Base for Bonus Percentages**—The bonus payment will be applied to the dollars collected by the Contractor. For bonus payment purposes, dollars collected are defined as regular collections, administrative wage garnishment payments and the final sale of all FFEL debts rehabilitated. *No bonus will be applied to the transfer value of Direct Loan Program Rehabilitations.*
- (e) **Initial CPCS Ranking**—As described in Clause H.5, Contractor Performance Evaluation, the first CPCS surveillance period will run from the first placement of accounts through March 31, 2010. At the end of the first CPCS period, the top three (3) contractors in the Unrestricted Pool will be paid the bonus payment for that quarterly surveillance period. The bonus payment plan will be based upon the following scale:

Competitive Performance & Continuous

<u>Surveillance (CPCS) Ranking</u>	<u>Bonus</u>
First	5%
Second	3%
Third	1%

For the contractors in the Small Business Pool, the top two (2) contractors will be paid the bonus payment for that quarterly CPCS surveillance period. The bonus payment plan will be based upon the following scale:

Competitive Performance & Continuous

<u>Surveillance (CPCS) Ranking</u>	<u>Bonus</u>
First	5%
Second	3%

No Long-Term bonus will be paid on the initial CPCS surveillance period.

- (f) **Long-Term CPCS Bonus**— Beginning with the second CPCS surveillance period and continuing through the base period of this Task Order, the long-term CPCS ranking will be based on the combined totals from all CPCS performance periods over the life of the Task Order. Beginning with the first CPCS period of the first option term of the Task Order, the “Long-Term” CPCS ranking will be based on the combined totals for the last seven (7) CPCS periods (i.e., 21 months). For this calculation the top three (3) contractors in the Unrestricted Pool will be paid a bonus on dollars collected for the most recently completed quarterly CPCS surveillance period based upon the following scale:

Competitive Performance & Continuous

<u>Surveillance (CPCS) Ranking</u>	<u>Bonus</u>
First	5%
Second	3%
Third	1%

For the contractors in the Small Business Pool, the top two (2) contractors will be paid the bonus payment for that quarterly CPCS surveillance period. The Long-Term bonus payment plan will be based upon the following scale:

**Competitive Performance & Continuous
Surveillance (CPCS) Ranking**

	<u>Bonus</u>
First	5%
Second	3%

- (g) **Quarterly CPCS Bonus**—Beginning with the second CPCS surveillance period, will be based on contractors' performance during the quarterly CPCS surveillance period. The top three (3) contractors in the Unrestricted Pool will be paid the bonus payment for that quarterly CPCS surveillance period. The bonus payment plan will be based upon the following scale:

**Competitive Performance & Continuous
Surveillance (CPCS) Ranking**

	<u>Bonus</u>
First	3%
Second	2%
Third	1%

For the contractors in the Small Business Pool, the top two (2) contractors will be paid the bonus payment for that quarterly surveillance period. The bonus payment plan will be based upon the following scale:

**Competitive Performance & Continuous
Surveillance (CPCS) Ranking**

	<u>Bonus</u>
First	3%
Second	2%

- (h) **Maximum Bonus Payments**—No contractor may earn more than 6% in combined bonuses during any CPCS surveillance period. The top performer on the Long-Term CPCS ranking will only be eligible for an additional 1% bonus regardless of its ranking on the "Quarterly" CPCS. The second place agency on the Long-Term CPCS ranking may not earn more than 5% in combined bonuses during any CPCS period. The second place agency on the Long-Term CPCS ranking will only be eligible for an additional 2% bonus if it finishes first on the "Quarterly" CPCS, and only 1% for a second or third place finish. All other agencies will be eligible for the full amount of the listed "Quarterly" CPCS bonuses. Thus, the maximum percentage a PCA in the Unrestricted Pool may receive in combined bonuses during any CPCS surveillance period is:

Contractor's Long-Term Ranking	Contractor's Quarterly Ranking			
	#1	#2	#3	below #3
#1	6%	6%	6%	5%
#2	5%	4%	4%	3%
#3	4%	3%	2%	1%
Below #3	3%	2%	1%	0%

The maximum percentage a PCA in the Small Business Pool may receive in combined bonuses during any CPCS surveillance period is:

**Contractor's
Long-Term
Ranking****Contractor's
Quarterly
Ranking**

	#1	#2	below #2
#1	6%	6%	5%
#2	5%	4%	3%
Below #2	3%	2%	0%

H.7 CPCS STANDING AND PERFORMANCE RANGE

- (a) The CPCS performance range is defined as Scoring 55 or more points on an individual CPCS.
- (b) A finish within the CPCS performance range does not assure that the Contractor will receive a Task Order extension under the option clause or any other provisions of this Task Order. Decisions to extend the Task Orders will be based on a total range of issues, completely within ED's discretion.
- (c) Other factors being equal, for purposes of this Task Order, the Government considers CPCS scores:
 - 1. Of 85 or higher to be an indicator of Outstanding performance;
 - 2. From 75 up to 85 to be an indicator of Excellent performance;
 - 3. From 65 up to 75 to be an indicator of Good performance;
 - 4. From 55 up to 65 to be an indicator of Average performance;
 - 5. From 45 up to 55 to be an indicator of Below Average performance; and
 - 6. Below 45 to be an indicator of Poor performance.

These adjectival ratings are intended to serve as convenient groupings and references within the context of these Task Orders and the contractor's PCA pool. They do not necessarily reflect past performance ratings that the contractor would receive either under this Task Order or for any future procurement. The Government may consider other factors including, but not limited to: complaints, small business subcontracting, security risks or violations, computer system inadequacies, or deficiencies in procedures, quality control or training.

H.8 SMALL BUSINESS MENTORING

- (a) A contractor that receives an award under the Small Business Pool shall promptly establish a relationship with a mentor from among the Unrestricted Pool PCA contractors. (The Contracting Officer may waive this requirement upon request of a small business, if the small business provides evidence that mentoring assistance is unnecessary.) Within 30 days of contract award, the small business contractor shall send a notice to the Contract Specialist and the Contracting Officer's Representative indicating the name of the mentor selected. A small business may only change its mentor with the prior written authorization of the Contracting Officer. If the small business contractor is unable to locate a suitable large business mentor within 30 days of Task Order award, ED will try to facilitate an arrangement. ED may assign a mentor from the Unrestricted Pool to a small business, if the Contracting Officer determines such action appropriate to the circumstances.
- (b) ED Experienced PCA contractors in the Unrestricted Pool are encouraged to enter into mentoring relationships with a small business PCA contractor. ED reserves the right to require the contractors in the Unrestricted Pool to establish a mentoring arrangement with a designated

- small business PCA contractor, if the Contracting Officer determines such action appropriate to the circumstances.
- (c) The mentoring may include loans or gifts of technology or other resources, training or transfers of employees between companies or other arrangements agreeable to both parties. The mentoring may not include direct financial support, such as loans of capital from the business in the Unrestricted Pool to the small business or stock or bond purchases. However, it is not the intent of this clause to restrict a small business' access to financing outside of the mentoring process. For example, ED would not object to a small business obtaining a loan from a financial institution that customarily makes business loans, even if the financial institution also owned a controlling interest in the small business' PCA mentor contractor.
 - (d) While it is ED's intent to be flexible in allowing mentoring arrangements that will promote successful Task Order performance by both parties, no deviations from the SOW or other Task Order provisions will be allowed without the Contracting Officer's approval. Mentoring arrangements may not give, nor contain provisions that would potentially give, the business in the Unrestricted Pool a control (as defined in FAR 19.101 Explanation of Terms.) in the small business contractor or one of its small business team partners.
 - (e) To encourage meaningful mentoring support, ED will provide bonus payment awards to the Unrestricted Pool mentor based on the competitive performance of the small business contractor. (i.e., if the small business earns a performance bonus, its mentor will be rewarded with a bonus payment.) During the First Ordering Period of the Task Orders, the Unrestricted Pool mentor will receive a bonus equal to the bonus earned by the small business. During the Optional Ordering Periods, the Unrestricted Pool mentor will receive a bonus equal to half the bonus earned by the small business. No mentoring bonuses will be paid after the initial Optional Ordering Period. ED reserves the right to adjust bonus payment awards.
 - (f) For purposes of this clause, ED will recognize only one mentoring relationship under a Task Order. Although nothing in this clause is intended to prohibit additional mentoring relationships, ED will pay a mentoring bonus to only one Unrestricted Pool mentor for each small business contractor. Similarly, ED will not pay an Unrestricted Pool contractor a bonus for mentoring more than one small business contractor.

H.9 ORGANIZATIONAL LIMIT ON TASK ORDERS

- (a) The Government intends to award more than one Task Order as a result of this solicitation. More than one award from this solicitation will be made to small business concerns.
- (b) No organization, including any affiliate, division or parent of the organization, may receive or hold more than one Task Order resulting from this solicitation. For purposes of this clause, Task Orders in both the Small Business and the Unrestricted Pools are considered to have resulted from the same solicitation. Thus, this restriction prohibits an organization from receiving or holding Task Orders under both the Small Business Pool and the Unrestricted Pool or within a single pool.
- (c) If, after award, one organization that holds a Task Order under this solicitation, purchases, merges with or otherwise enters into an affiliation with another organization that also held a Task Order as a result of this solicitation, only one Task Order will remain in effect. The Contractor may choose which Task Order will continue. If the Contractor does not choose or if there is disagreement or ambiguity, the Contracting Officer will determine which Task Order will continue. The continuing Contractor may choose either to have ED:
 - 1.) Recall all accounts (including those in repayment) from the expiring Task Order within sixty days of the effective date of the sales or merger transaction; or

- 2.) Transfer all accounts (including that not in repayment) to the continuing Task Order within sixty days of the effective date of the sales or merger transaction. All transferred accounts would be included in performance indicators for the continuing Task Order.
- (d) No organization may participate in more than one Task Order—whether as an awardee, a member of a team arrangement or as a subcontractor—to the extent that it would in essence be competing against itself, as determined by the Contracting Officer. ED does not intend to approve a subcontract or team arrangement that would allow an organization to essentially compete against itself. The Contracting Officer may waive this restriction if the subcontract or team arrangement is:
 1. Part of a mentoring relationship;
 2. With an organization whose purpose is to provide employment for persons with disabilities; or
 3. Of such special benefit to the public or the Federal Government that the Contracting Officer determines in writing that it is in the best interests of the Federal Government to waive the restriction.
- (e) ED does not consider a small business contracting with one or more large businesses to be essentially competing with itself. Thus, the subcontracting restriction in paragraph (d) of this clause does not apply to:
 1. A small business that subcontracts to more than one contractor in the Unrestricted Pool, nor
 2. A contractor in the Small Business Pool that subcontracts to one or more contractors in the Unrestricted Pool.

H.10 CANCELLATION OF TASK ORDERS

The Government reserves the right to recall all accounts and cancel the Task Order if the Contracting Officer determines that the Contractor has performed poorly or fails to perform under the terms of the order. Any contractor that finishes below the CPCS performance range on three (3) consecutive CPCS rating periods is deemed to have performed so poorly that its Task Order is in jeopardy of being cancelled. However, a finish within the CPCS performance range does not preclude cancellation of a Task Order for poor performance. The Government may consider other factors including, but not limited to: complaints, small business subcontracting, security risks or violations, computer system inadequacies, or deficiencies in procedures, quality control or training.

Any contractor that does not have a Department-issued Authority To Operate (ATO) prior to the first data transfer or October 22, 2009, will not receive any accounts and the Task Order may be cancelled.

H.11 PRIVACY ACT

The clauses at FAR 52.224-1 (APRIL 1984) entitled “Privacy Act Notification” and FAR 52.224-2 (APRIL 1984) entitled “Privacy Act” are incorporated herein by reference.

H.12 SECURITY CLEARANCE AND USER ID REQUESTS

Contractor staff proposed to perform work under this Task Order shall be subject to ED investigation criteria. Contractor staff working without a final clearance does so on a conditional basis while obtaining the required clearance. The ED investigation includes, at a minimum, the following items:

- Investigation of criminal record
- Reference checks
- Check for defaulted student loans

- Security clearances

The U.S. Department of Education Contractor Employee Personnel Security Screenings Policy defines security levels. ED assigns the security level appropriate for each labor category, commensurate with the duties and system access of the position. The security level also dictates when new or replacement staff may begin to perform work under this Task Order relative to the submission of the security clearance paperwork. The security levels and work rules include:

- High Risk (Level 6C) – An employee cannot assume high-risk positional duties until the security investigation is completed and approved by ED. A waiver option is available, on approval by the OM Computer Security Officer (CSO) and ED's ADP Security Oversight Staff. Employees selected for these positions can work in a lower-level position until the clearance is approved.
- Moderate Risk (Level 5C) – An employee can start working moderate risk positional duties upon submission of the security clearance paperwork to the OM CSO through the COTR.
- Low Risk (Level 1C) – An employee can start working low risk positional duties upon submission of the security clearance paperwork to the OM CSO through the COTR.

The Contractor shall:

- Ensure, at the Project Manager level, that the security clearance and User ID paperwork required by ED is accurately and thoroughly completed and submitted to ED no later than with the submission of a resume for additional or replacement personnel.
- Obtain its supply of security clearance forms directly from the OM CSO.
- Reproduce as needed the ED/CCF User ID request form (88-01) for this specific project.
- Remove any individual from their position for whom ED disapproves and withdraws their clearance and immediately revoke their access to all ED systems.

Clearance Submission Guidelines

The Contractor shall submit security paperwork for any position requiring an ED clearance based on the ED Information Technology Security Manual and the guidelines contained herein. Table 1 details the forms that contractor staff shall complete to request processing of a security clearance.

Table 1. Clearance Forms Required for Positions

<u>Form</u>	<u>Title</u>	<u>Copies</u>	<u>High Risk</u>	<u>Moderate Risk</u>	<u>Low Risk</u>
<u>SF-306</u>	<u>Federal Employment Form (as Used for background check, Application for Federal Employment (Rev. 6-88); Complete items 6, 17, 29, 25-28, 36, 38-44, 45 if applicable</u>	<u>2</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>SF-85P</u>	<u>Questionnaire for Public Trust Positions (Rev. Sept 1995)</u>	<u>2</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>FD-258</u>	<u>Fingerprint Card</u>	<u>1 original</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>SF-85</u>	<u>Questionnaire for Non-Sensitive Positions (Rev. Sept 1995)</u>	<u>2</u>			<u>X</u>

In the submission of security clearance paperwork, the Contractor shall:

- a. Assure the clearance level sought for the employee is based upon the criteria established by ED
- b. Assure that the employee completes the proper forms, as detailed in Table-1 as follows:
 - i. Employees without a clearance must complete all required forms.
 - ii. Employees with current or previous clearances must complete additional forms as required to meet all requirements.
- c. For employees with current or previous clearances requiring no additional paperwork: **Complete a memo, on company letterhead with an authorized signature, with the following:**
 1. Full name
 2. Date and place of birth
 3. Social Security Number
 4. Level of security clearance
 5. Employer Name
 6. Date of investigation
 7. (At time of investigation)
 8. Task Order Number
 9. Agency completing the investigation
- d. For employees with current or previous clearances requiring additional paperwork, forward the completed additional paperwork to the Contractor's Project Manager. This primarily concerns upgrading to a higher security level.
- e. Ensure that the proper forms are accurate and complete before forwarding the forms in sealed envelopes, through the COR, to the OM CSO.
- f. Notify the employee's manager of the security investigation results.
- g. Remove the employee from performing work under this Task Order in the event of a clearance denial and revoke all User IDs.