

**3517B GENERAL CLAUSES
ADDENDUM NO. 1**

1. BONDS

All sureties must be listed in the Department of Treasury Circular 570 Approved Surety List. Standard Form 24 (Bid Bond) and Standard Form 25 (Performance Bond) must be used in accordance with FAR 28.106-1. Copies of the forms are included in PART VII of this Solicitation or forms may be acquired by visiting the GSA Forms Library Website at <http://www.gsa.gov/portal/forms/type/ALL>. The Government shall have the right to approve or reject any and all terms and conditions of any and all bonds obtained by the Offeror pursuant to this Solicitation. In addition, the terms and conditions of the Bond(s) shall be subject to the prior approval of the Government.

2. BID BOND

To assure the faithful execution of the terms and conditions of the agreement, each Offeror shall submit a Bid Bond with their initial offer. Offers without Bid Bonds will not be considered. The Bond shall remain in effect until a Performance Bond becomes effective should the Offeror be successful, or until VA has notified the Offeror that his proposal is no longer under consideration by VA. A surety company holding a certificate of authority from the Secretary of the Treasury as acceptable surety will execute the Bond. A verifax or other facsimile copy of the agent's authority to sign bonds for the Surety Company shall accompany the Bond. The Offeror shall furnish a proposal guarantee in the form of a Bid Bond supported by good and sufficient surety acceptable to the Government. The amount of the Bid Bond guarantee shall be in the amount of \$100,000. Acceptable alternate bonding protection will be in accordance with FAR 28.204-1 United States Bonds or Notes, or FAR 28.204-3 Irrevocable Letter of Credit (ILC). Invalid bonds may be grounds to render your proposal non-responsive and will not be eligible for an award. Once an award has been made all original Bid Bonds will be returned, except for the successful Offeror whose Bid Bond will be required to remain in full force until such time as a Performance Bond has been received and accepted by the Government.

3. PERFORMANCE BOND

(a) Definitions. As used in this clause—

“Original contract price” means the award price of the contract; or, for requirements contracts, the price payable for the estimated total quantity; or, for indefinite-quantity contracts, the price payable for the specified minimum quantity. Original contract price does not include the price of any options, except those options exercised at the time of contract award.

(b) Amount of required bonds. Unless the resulting contract price is \$100,000 or less, the successful offeror shall furnish performance and payment bonds to the Contracting Officer as follows:

(1) Payment Bonds (Standard Form 25A). To assure faithful payment to subcontractors and material suppliers, a surety bond is required by the Offeror to guaranty that his subcontractors and material suppliers on the project will be paid. The penal amount of payment bonds at the time of contract award shall be 100 percent of the original contract (construction) price no later than 60 days from VA's final review and written approval of the completed construction documents. The Payment Bond shall remain in effect until the Government accepts the space for occupancy. The United States of America, acting through the Secretary of the Department of Veterans Affairs, shall be named as co-beneficiary on the Bond obtained by the Offeror.

(2) Performance Bonds (Standard Form 25). To assure faithful execution of the contract, the successful Offeror shall provide a Performance Bond for 100% of the Total Project Cost as shown in the Offeror's Schedule D no later than thirty (30) days after the date of lease award. The Performance Bond shall remain in effect until it is amended or replaced as set forth in Paragraph

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(3) below. The United States of America, acting through the Secretary of the Department of Veterans Affairs, shall be named as co-beneficiary on the Bond obtained by the Offeror.

(3) Performance Bonds after 100% Construction Drawings. The successful Offeror shall provide an amended or replacement Performance Bond for 100% of the actual construction cost, based on the completed construction documents, no later than 60 days of VA's final review and written approval of the completed construction documents. The amended or replacement Performance Bond shall remain in effect until the Government accepts the space for occupancy. The United States of America, acting through the Secretary of the Department of Veterans Affairs, shall be named as co-beneficiary on the Bond obtained by the Offeror.

(4) Additional bond protection.

(i) The Government may require additional performance and payment bond protection if the contract price is increased. The increase in protection generally will equal 100 percent of the increase in contract price.

(ii) The Government may secure the additional protection by directing the Contractor to obtain an additional bond for the increased amount.

(c) Furnishing executed bonds. The Contractor shall furnish all executed bonds, including any necessary reinsurance agreements, to the Contracting Officer, within the time period specified in the Bid Guarantee provision of the solicitation, or otherwise specified by the Contracting Officer, but in any event, before starting work.

(d) Surety or other security for bonds. The bonds shall be in the form of firm commitment, supported by corporate sureties whose names appear on the list contained in Treasury Department Circular 570, individual sureties, or by other acceptable security such as postal money order, certified check, cashier's check, irrevocable letter of credit, or, in accordance with Treasury Department regulations, certain bonds or notes of the United States. Treasury Circular 570 is published in the Federal Register or may be obtained from the:

U.S. Department of the Treasury
Financial Management Service
Surety Bond Branch
3700 East West Highway, Room 6F01
Hyattsville, MD 20782.

Or via the internet at <http://www.fms.treas.gov/c570/>.

(e) Notice of subcontractor waiver of protection (40 U.S.C. 3133(c)). Any waiver of the right to sue on the payment bond is void unless it is in writing, signed by the person whose right is waived, and executed after such person has first furnished labor or material for use in the performance of the contract. To assure the faithful execution of the terms and conditions of the agreement, each Offeror shall submit a Bid Bond with their initial offer. Offers submitted without Bid Bonds will not be considered. The Bond shall remain in effect until a Performance Bond becomes effective should the Offeror be successful, or until VA has notified the Offeror that his proposal is no longer under consideration by VA. A surety company holding a certificate of authority from the Secretary of the Treasury as acceptable surety will execute the Bond. A verifax or other facsimile copy of the agent's authority to sign bonds for the Surety Company shall accompany the Bond. The Offeror shall furnish a proposal guarantee in the form of a Bid Bond supported by good and sufficient surety acceptable to the Government. The amount of the Bid Bond guarantee shall be in the amount of \$100,000. Acceptable alternate bonding protection will be in accordance with FAR 28.204-1 United States Bonds or Notes, or FAR 28.204-3 Irrevocable Letter of Credit (ILC). Invalid bonds may be grounds to render your proposal non-responsive and will not be eligible for an award. Once an award has been made all original Bid Bonds will be returned, except for the

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successful Offeror whose Bid Bond will be required to remain in full force until such time as a Performance Bond has been received and accepted by the Government.

4. DAVIS BACON WAGES

The wages to be paid during performance under this lease contract must conform to the Department of Labor's General Wage Decision No. **TX160334**], dated **01/08/2016**, and as may be amended during the period of construction of the leased premises. A copy of the standards is provided in PART VI of this Solicitation. It is the Lessor's responsibility to obtain and maintain the most current rates.

5. APPLICABLE LAW

Any provision in this Lease that purports to assign liability or require expenditure of funds to the Lessor shall be governed by the provisions of the Contract Disputes Act of 1978, 41 USC 601-613, Anti-Deficiency Act, 31 USC 1341, and the Federal Tort Claims Act, 28 USC 2671 et seq.

6. WAIVER OF RESTORATION

The Lessor shall have no right to require the Government to restore the Premises upon termination of the Lease, and waives all claims against the Government for waste, damages, or restoration arising from or related to (a) the Government's normal and customary use of the Premises during the term of the Lease (including any extensions thereof), as well as (b) any initial or subsequent alteration to the Premises regardless of whether such alterations are performed by the Lessor or by the Government. At its sole option, the Government may abandon property in the Space following expiration of the Lease, in which case the property will become the property of the Lessor and the Government will be relieved of any liability in connection therewith.

7. CONTRACT CHANGES

At any time, the Contracting Officer may make changes within the scope of the lease by a written order pursuant to the Changes Clause set forth in Paragraph 33 of GSA Form 3517B, attached hereto and made a part hereof, and provisions as set forth below. Changes in the design or the work initiated by the Lessor or the Lessor's Design Team or Contractor do not constitute a change for cost. Any such changes must be approved by the Contracting Officer. See design and construction documents afterward.

The clauses entitled "Changes" in FAR 52.243-4 "Differing Site Conditions" in FAR 52.236-2, 52.249-14, Excusable Delays, 52.242-14 Suspension of Work, 52.243-5 Changes and Changed Conditions, 52.244-5 Competition in Subcontracting will be supplemented with the following two clauses. The clause in Paragraph 2 below will apply to negotiated changes exceeding \$500,000 and does not provide ceiling rates for indirect expenses. Such expenses will be included as part of the submission of certified cost and pricing data, and will be negotiated by the Contracting Officer and audited in accordance with Department of Veterans Affairs Acquisition Regulation (VAAR) 815.805-5. (A copy of this provision is available upon request.) When the negotiated change will be less than \$500,000, the clause specified in Paragraph 2 below will apply. Certificates of current cost and pricing data shall accompany proposals over \$100,000 and not exceeding \$500,000. If cost and pricing data are required by FAR for proposals of \$100,000 or less, the Contracting Officer may require that it be certified in accordance with FAR 15.403-4(a)(2). It must be emphasized that the indirect cost rates are ceiling rates only, and the Contracting Officer will negotiate the indirect expense rates within the ceiling limitations. The clauses are a result of an approved FAR deviation pursuant to Subpart 801.4.

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8. APPLICABLE TO CHANGES COSTING OVER \$500,000

A. Proposals for Changes

When requested by the Contracting Officer, the contractor shall submit proposals for changes in work to the Contracting Officer or the Contracting Officer's designee. Proposals, to be submitted within 30 calendar days after receipt of request, shall be in legible form, original and two copies. The contractor shall provide cost or pricing data in accordance with the instructions in Table 15-2 of FAR 15-403-5 in the format indicated for "Modifications" or other format acceptable to the Contracting Officer. Proposals shall consist of an itemized breakdown that includes material quantities, unit prices, labor costs (separated into trades), construction equipment, etc. (Labor costs are to be identified with specific material placed or operation performed.) The contractor shall execute a Certificate of Current Cost or Pricing Data in accordance with FAR 15-406-2. The contractor must obtain and furnish with each proposal an itemized breakdown and certificate as described above, signed by each subcontractor participating in the change regardless to tier.

B. Tentative Pricing

When the necessity to proceed with a change does not allow sufficient time to negotiate a modification, or because of failure to reach an agreement, the Contracting Officer may issue a change order instructing the contractor to proceed on the basis of a tentative price based on the best estimate available at the time, with the firm price to be determined later. Furthermore, when the change order is issued, the contractor shall submit a proposal for cost of changes in work within 30 calendar days.

C. Settlement By Determination

The Contracting Officer will consider issuing a settlement by determination to the contract, if the contractor's proposal required by Paragraphs 0 and 0 of this clause is not received within 30 calendar days or if agreement has not been reached.

9. APPLICABLE TO CHANGES COSTING \$500,000 OR LESS

A. Proposals for Changes

When requested by the Contracting Officer, the contractor shall submit proposals for changes in work to the Contracting Officer or designee. Proposals, to be submitted within 30 calendar days after receipt of request, shall be in legible form, original and two copies, with an itemized breakdown that will include material, quantities, unit prices, labor costs (separated into trades), construction equipment, etc. (Labor costs are to be identified with specific material placed or operation performed.) The contractor must obtain and furnish with a proposal an itemized breakdown as described above, signed by each subcontractor participating in the change, regardless of tier. When requested by the Contracting Officer, the contractor and each subcontractor participating in the change, regardless of tier, shall execute a Certificate of Current Cost or Pricing Data in accordance with FAR 15-406-2. For proposals over \$100,000, the cost or pricing data shall be submitted in accordance with the instructions in Table 15-2 of FAR 15-403-5 in the format indicated for "Modifications" or other format acceptable to the Contracting Officer. No itemized breakdown will be required for proposals amounting to less than \$1,000.

B. Tentative Pricing

When the necessity to proceed with a change does not allow sufficient time to negotiate a modification or if there is a failure to reach an agreement, the Contracting Officer may issue a change order instructing the contractor to proceed on the basis of a tentative price based on

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the best estimate available at the time, with the firm price to be determined later. Furthermore, when the change order is issued, the contractor shall submit a proposal for cost of changes in work within 30 calendar days.

C. Settlement By Determination

The Contracting Officer will consider issuing a settlement by determination to the contract, if the contractor's proposal required by paragraphs (a) and (b) of this clause is not received within 30 calendar days, or if agreement has not been reached.

D. Allowances for Overhead and Profit

Allowances not to exceed 10% each for overhead and profit for the party performing the work will be based on the value of labor, material, and use of construction equipment required to accomplish the change. As the value of the change increases, a declining scale will be used in negotiating the percentage of overhead and profit. Allowable percentages on changes will not exceed the following:

- 10% overhead and 10% profit on the first \$20,000
- 7-1/2% overhead and 7-1/2% profit on the next \$30,000
- 5% overhead and 5% profit on balance over \$50,000

Profit shall be computed by multiplying the profit percentage by the sum of the direct costs and computed overhead costs.

E. Allowable Fee On Changes

The prime contractor's or upper-tier subcontractor's fee on work performed by lower-tier subcontractors will be based on the net increased cost to the prime contractor or upper-tier subcontractor, as applicable. Allowable fee on changes will not exceed the following:

- 10% fee on the first \$20,000
- 7-1/2% fee on the next \$30,000
- 5% fee on balance over \$50,000

F. Multiple Tiers

Not more than four percentages, none of which exceed the percentages shown above, will be allowed regardless of the number of tiers of subcontractors.

G. Credit Items

Where the contractor's or subcontractor's portion of change involves credit terms, such items must be deducted prior to adding overhead and profit for the party performing the work. The contractor's fee is limited to the net increase to contractor of subcontractors' portions of cost computed in accordance herewith.

Where a change involves credit items only, a proper measure of the amount of downward adjustment in the contract price is the reasonable cost to the contractor if he/she performed the deleted work. A reasonable allowance for overhead and profit are properly includable as part of the downward adjustment for a deductive change. The amount of such allowance is subject to negotiation.

H. Tax and Insurance

Cost of Federal Old Age Benefit (Social Security) tax and of Workmen's Compensation and Public Liability insurance appertaining to change are allowable. While no percentage will be

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allowed thereon for overhead or profit, prime contractor's fee will be allowed on such items in subcontractors' proposals.

I. Items Included In Overhead and Fee

Overhead and contractors fee percentages shall be considered to include insurance, other than mentioned herein; field and office supervisors and assistants; security police; use of small tools, incidental job burdens, and general home office expenses; and no separate allowance will be made therefore. Assistants to office supervisors include all clerical, stenographic, and general office help. Incidental job burdens include, but are not necessarily limited to, office equipment and supplies, temporary toilets, telephone, and conformance to OSHA requirements. Items such as, but not necessarily limited to, review and coordination, estimating, and expediting relative to contract changes, are associated with field and office supervision and are considered to be included in the contractor's overhead and/or fee percentage.

J. Bond Premium Adjustment

Bond premium adjustment, consequent upon changes ordered, will be made as elsewhere specified at the time of final settlement under the contract and will not be included in the individual change.

K. Implementation of Changes

Upon receipt of a written order from the Contracting Officer for a change(s), the Lessor shall immediately begin to implement such a change(s). Any dispute involving entitlement to additional compensation or additional time for the work performed will be resolved pursuant to the terms of the Disputes Clause, if not otherwise resolved by the parties. However, nothing in that clause shall excuse the Lessor from proceeding with the contract as changed.

Lump sum payment for changes shall be made upon completion, acceptance, and beneficial occupancy of the building.

10. WAIVER OF CLAIMS FOR WASTE OR DAMAGES

The Lessor will be required to waive the right to claim for waste or damages arising from the making or removing of alterations or special work (SFO Paragraph **Error! Reference source not found.**).

The Lessor will be required to waive the right to claim for delay, waste, or damages arising from the acts, errors, or omissions of Lessor or the Lessor's Design Team or Contractor.

All property placed in, upon, or attached to the premises to be leased that is provided by the Government or for which the Government pays by means of lump-sum (Schedule B items), shall be and remain the property of the Government, and may be removed or otherwise disposed of by the Government at its sole discretion. The Lessor will be required to waive the right to claims arising from the removal or disposal of any Government property that remains in, upon, or attached to the premises at the termination of the lease.

11. LIQUIDATED DAMAGES VAAR 852.211-74

52.211-12 CONSTRUCTION (SEPT 2000)

(a) If the Contractor fails to complete the work within the time specified in the contract, the Contractor shall pay liquidated damages to the Government in the amount of **One Thousand**

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Two Hundred Twenty Dollars and No Cents (\$1,220.00) or each and every calendar day that the delivery is delayed beyond the date specified for delivery of all the space ready for acceptance and beneficial occupancy by the Government.

52.211-13 -- Time Extensions (Sept 2000)

Time extensions for contract changes will depend upon the extent, if any, by which the changes cause delay in the completion of the various elements of construction. The change order granting the time extension may provide that the contract completion date will be extended only for those specific elements related to the changed work and that the remaining contract completion dates for all other portions of the work will not be altered. The change order also may provide an equitable readjustment of liquidated damages under the new completion schedule.

12. ADJUSTMENT FOR VACATED PREMISES

In accordance with 552.270-16 Adjustment for Vacant Premises, if the Government fails to occupy any portion of the leased premises or vacates the premises in whole or in part prior to expiration of the firm term of the lease, the rental rate shall be reduced as follows: the rate shall be reduced by that portion of the cost per square foot of operating expenses not required to maintain the space. Said reduction shall occur after the Government gives 30 days prior notice to the Lessor, and shall continue in effect until the Government occupies the premises or the lease expires or is terminated.

13. REMEDIES; NOTICE OF EXERCISE OF REMEDIES; OFFSET; OPPORTUNITY TO CURE.

(a) Remedies. Subject to the provisions of this Clause No. 3 of this Supplemental Lease Agreement, upon the failure of the Lessor to perform any of its covenants, agreements or obligations set forth in this Lease, the Government may exercise any of the rights and remedies provided for in this Lease.

(b) Notice of Exercise of Remedies. In the event of any circumstance which would permit the Government to terminate this Lease, or in the event the Government would have the right to offset or reduce rent pursuant to these General Clauses or any other provision of this Lease, no termination, reduction or offset will be taken by the Government unless both the Lessor and the current first mortgagee of which the Government has notice are provided with written notice of such event or proposed rental reduction, deduction or offset, together with thirty (30) days in which Lessor has the opportunity to cure or eliminate same as set forth in Clause 3(c) below, and except as set forth in the subsections to this Section 3(b). The Government's obligation to provide such notice to the current first mortgagee shall extend only to the first mortgagee or the party representing the first mortgagee. It shall be the Lessor's obligation to provide the Government with the proper name and address of the first mortgagee or the party representing the first mortgagee.

1. The Contracting Officer may, at his or her option, provide written permission allowing Lessor more than thirty (30) days to cure.

2. Government is not required to comply with the process set forth in this Section 3 in the event that doing so is incompatible with applicable requirements of federal law and/or federal regulations. In such case, Government shall provide written notice of such offset or proposed rental deduction and shall provide notice of the specific applicable requirements of federal law and/or federal regulations that prohibit

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Government from complying with the process set forth in this Section 3.

(c) Offset; Opportunity to Cure. Before exercising any of the rights provided in this Lease to reduce or offset rent or to terminate this Lease, the Government shall provide the Lessor and the first mortgagee thirty (30) days to cure pursuant to this Clause No. 3 or such additional time that Government determines to be reasonably necessary. However, in the event of a bona fide emergency, the Government has the right to take immediate corrective action without providing such opportunity to cure, with notice to the Lessor and the first mortgagee provided as soon as is practicable. The remedies provided herein are not exclusive and are in addition to any other remedies which may be available under this Lease or in the law, and the limitation set forth herein shall not be deemed to preclude the Government from pursuing such remedies, nor from proceeding under the Contract Disputes Act of 1978 (41 U.S.C. 601 et seq.) to recover any amounts which may have been expended by the Government in accordance with the provisions of this paragraph, provided that in pursuing any such remedy that permits the government to terminate this Lease or deduct or offset rent, the Government shall provide the notice and other rights described in this Clause No. 3.

14. FAR 52.204-10 REPORTING EXECUTIVE COMPENSATION AND FIRST-TIER SUBCONTRACT AWARDS.

As prescribed in 4.1403(a), insert the following clause:

Reporting Executive Compensation and First-Tier Subcontract Awards (Oct 2015)

(a) Definitions. As used in this clause:

"Executive" means officers, managing partners, or any other employees in management positions.

"First-tier subcontract" means a subcontract awarded directly by the Contractor for the purpose of acquiring supplies or services (including construction) for performance of a prime contract. It does not include the Contractor's supplier agreements with vendors, such as long-term arrangements for materials or supplies that benefit multiple contracts and/or the costs of which are normally applied to a Contractor's general and administrative expenses or indirect costs.

"Months of award" means the month in which a contract is signed by the Contracting Officer or the month in which a first-tier subcontract is signed by the Contractor.

"Total compensation" means the cash and noncash dollar value earned by the executive during the Contractor's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):

- (1) Salary and bonus.
- (2) Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Financial Accounting Standards Board's Accounting Standards Codification (FASB ASC) 718, Compensation-Stock Compensation.
- (3) Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
- (4) Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.

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- (5) Above-market earnings on deferred compensation which is not tax-qualified.
- (6) Other compensation, if the aggregate value of all such other compensation (e.g., severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.
- (b) Section 2(d)(2) of the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282), as amended by section 6202 of the Government Funding Transparency Act of 2008 (Pub. L. 110-252), requires the Contractor to report information on subcontract awards. The law requires all reported information be made public, therefore, the Contractor is responsible for notifying its subcontractors that the required information will be made public.
- (c) Nothing in this clause requires the disclosure of classified information
- (d)
- (1) Executive compensation of the prime contractor. As a part of its annual registration requirement in the System for Award Management (SAM) database (FAR provision 52.204-7), the Contractor shall report the names and total compensation of each of the five most highly compensated executives for its preceding completed fiscal year, if-
- (i) In the Contractor's preceding fiscal year, the Contractor received-
- (A) 80 percent or more of its annual gross revenues from Federal contracts (and subcontracts), loans, grants (and subgrants), cooperative agreements, and other forms of Federal financial assistance; and
- (B) \$25,000,000 or more in annual gross revenues from Federal contracts (and subcontracts), loans, grants (and subgrants), cooperative agreements, and other forms of Federal financial assistance; and
- (ii) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 ([15 U.S.C. 78m\(a\), 78o\(d\)](#)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)
- (2) First-tier subcontract information. Unless otherwise directed by the contracting officer, or as provided in paragraph (h) of this clause, by the end of the month following the month of award of a first-tier subcontract with a value of \$30,000 or more, the Contractor shall report the following information at <http://www.fsrs.gov> for that first-tier subcontract. (The Contractor shall follow the instructions at <http://www.fsrs.gov> to report the data.)
- (i) Unique identifier (DUNS Number) for the subcontractor receiving the award and for the subcontractor's parent company, if the subcontractor has a parent company.
- (ii) Name of the subcontractor.
- (iii) Amount of the subcontract award.
- (iv) Date of the subcontract award.
- (v) A description of the products or services (including construction) being provided under the subcontract, including the overall purpose and expected outcomes or results of the subcontract.
- (vi) Subcontract number (the subcontract number assigned by the Contractor).
- (vii) Subcontractor's physical address including street address, city, state, and country. Also include the nine-digit zip code and congressional district.
- (viii) Subcontractor's primary performance location including street address, city, state, and country. Also include the nine-digit zip code and congressional district.

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- (ix) The prime contract number, and order number if applicable.
- (x) Awarding agency name and code.
- (xi) Funding agency name and code.
- (xii) Government contracting office code.
- (xiii) Treasury account symbol (TAS) as reported in FPDS.
- (xiv) The applicable North American Industry Classification System code (NAICS).

(3) Executive compensation of the first-tier subcontractor. Unless otherwise directed by the Contracting Officer, by the end of the month following the month of award of a first-tier subcontract with a value of \$30,000 or more, and annually thereafter (calculated from the prime contract award date), the Contractor shall report the names and total compensation of each of the five most highly compensated executives for that first-tier subcontractor for the first-tier subcontractor's preceding completed fiscal year at <http://www.fsr.gov> , if-

(i) In the subcontractor's preceding fiscal year, the subcontractor received-

(A) 80 percent or more of its annual gross revenues from Federal contracts (and subcontracts), loans, grants (and subgrants), cooperative agreements, and other forms of Federal financial assistance; and

(B) \$25,000,000 or more in annual gross revenues from Federal contracts (and subcontracts), loans, grants (and subgrants), cooperative agreements, and other forms of Federal financial assistance; and

(ii) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/excomp.htm>.)

(e) The Contractor shall not split or break down first-tier subcontract awards to a value less than \$30,000 to avoid the reporting requirements in paragraph (d) of this clause. (f) The Contractor is required to report information on a first-tier subcontract covered by paragraph

(d) when the subcontract is awarded. Continued reporting on the same subcontract is not required unless one of the reported data elements changes during the performance of the subcontract. The Contractor is not required to make further reports after the first-tier subcontract expires.

(g)

(1) If the Contractor in the previous tax year had gross income, from all sources, under \$300,000, the Contractor is exempt from the requirement to report subcontractor awards.

(2) If a subcontractor in the previous tax year had gross income from all sources under \$300,000, the Contractor does not need to report awards for that subcontractor.

(h) The FSR database at <http://www.fsr.gov> will be prepopulated with some information from SAM and FPDS databases. If FPDS information is incorrect, the contractor should notify the contracting officer. If the SAM database information is incorrect, the contractor is responsible for correcting this information.

15. FAR 52.233-2 SERVICE OF PROTEST (SEP 2006)

(a) Protests, as defined in section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the Government

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Accountability Office (GAO), shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgment of receipt from _____. [Contracting Officer designate the official or location where a protest may be served on the Contracting Officer.]

(b) The copy of any protest shall be received in the office designated above within one day of filing a protest with the GAO.

16. 52.219-24 SMALL DISADVANTAGED BUSINESS PARTICIPATION PROGRAM-TARGETS.

(a) This solicitation contains a source selection factor or subfactor related to the participation of small disadvantaged business (SDB) concerns in the contract. Credit under that evaluation factor or subfactor is not available to an SDB concern that qualifies for a price evaluation adjustment under the clause at FAR 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns, unless the SDB concern specifically waives the price evaluation adjustment.

(b) In order to receive credit under the source selection factor or subfactor, the offeror must provide, with its offer, targets, expressed as dollars and percentages of total contract value, for SDB participation in any of the North American Industry Classification System (NAICS) Industry Subsectors as determined by the Department of Commerce. The targets may provide for participation by a prime contractor, joint venture partner, teaming arrangement member, or subcontractor; however, the targets for subcontractors must be listed separately.

17. 52.219-25 SMALL DISADVANTAGED BUSINESS PARTICIPATION PROGRAM-- DISADVANTAGED STATUS AND REPORTING (JAN 1999)

(a) Disadvantaged status for joint venture partners, team members, and subcontractors. This clause addresses disadvantaged status for joint venture partners, teaming arrangement members, and subcontractors and is applicable if this contract contains small disadvantaged business (SDB) participation targets. The Contractor shall obtain representations of small disadvantaged status from joint venture partners and teaming arrangement members through use of a provision substantially the same as paragraph (b)(1)(i) of the provision at FAR 52.219-22, Small Disadvantaged Business Status. The Contractor shall confirm that a joint venture partner or a team member representing itself as a small disadvantaged business concern is included in the SBA's on-line list of SDBs at <http://www.sba.gov> or by contacting the SBA's Office of Small Disadvantaged Business Certification and Eligibility. The Contractor acting in good faith may rely on a written representation of its subcontractor regarding the subcontractor's status as a small disadvantaged business concern as defined in 13 CFR 124.1002.

(b) Reporting requirement. If this contract contains SDB participation targets, the Contractor shall report on the participation of SDB concerns at contract completion, or as otherwise provided in this contract. Reporting may be on Optional Form 312, Small Disadvantaged Business Participation Report, or in the Contractor's own format providing the same information. This report is required for each contract containing SDB participation targets. If this contract contains an individual Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan, reports may be submitted with the final Subcontracting Report for Individual Contracts (Standard Form 294) at the completion of the contract.

3517B GENERAL CLAUSES

ADDENDUM NO. 1

18. 52.219-26 SMALL DISADVANTAGED BUSINESS PARTICIPATION PROGRAM—INCENTIVE SUBCONTRACTING (JAN 1999)

(a) Of the total dollars it plans to spend under subcontracts, the Contractor has committed itself in its offer to try to award a certain amount to small disadvantaged business concerns in the Standard Industrial

Classification (SIC) Major Groups as determined by the Department of Commerce.

(b) If the Contractor exceeds its total monetary target for subcontracting to small disadvantaged business concerns in the authorized SIC Major Groups, it will receive I [Contracting Officer to insert the appropriate number between 0 and 10] percent of the dollars in excess of the monetary target, unless

the Contracting Officer determines that the excess was not due to the Contractor's efforts (e.g., a subcontractor cost overrun caused the actual subcontract amount to exceed that estimated in the offer, or the excess was caused by the award of subcontracts that had been planned but had not been disclosed

in the offer during contract negotiations). Determinations made under this paragraph are not subject to the Disputes clause of this contract.

(c) If this is a cost-plus-fixed-fee contract, the sum of the fixed fee and the incentive fee earned under this contract may not exceed the limitations in subsection 15.404-4 of the Federal Acquisition Regulation.

INITIALS: _____ & _____
LESSOR GOVERNMENT