

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. Contract Number	Page of Pages 1 1	
2. Amendment/Modification Number DCTO-2007-R-0045-0004		3. Effective Date 11/2/2007	4. Requisition/Purchase Request No. RQ323664		5. Solicitation Caption Mitigation for Technical Security
6. Issued By: Office of Contracting and Procurement Information Technology Group 441 4th Street, NW, Suite 971 North Washington, DC 20001			7. Administered By (If other than line 6) Office of the Chief Technology Officer 441 4th Street, NW, 10th Floor Washington, DC 20001		
8. Name and Address of Contractor (No. Street, city, country, state and ZIP Code) ALL PROSPECTIVE OFFERORS			<input checked="" type="checkbox"/> 9A. Amendment of Solicitation No. DCTO-2007-R-0045	<input checked="" type="checkbox"/> 9B. Dated (See Item 11) 9/17/2007	
				<input type="checkbox"/> 10A. Modification of Contract/Order No.	
				<input type="checkbox"/> 10B. Dated (See Item 13)	
Code		Facility			
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS					
<input checked="" type="checkbox"/>	The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers <input checked="" type="checkbox"/> is extended. <input type="checkbox"/> is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning <u>one</u> copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or fax which includes a reference to the solicitation and amendment number. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by letter or fax, provided each letter or telegram makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.				
12. Accounting and Appropriation Data (If Required)					
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14					
	A. This change order is issued pursuant to: (Specify Authority) The changes set forth in Item 14 are made in the contract/order no. in item 10A.				
	B. The above numbered contract/order is modified to reflect the administrative changes (such as changes in paying office, appropriation date, etc.) set forth in item 14, pursuant to the authority of 27 DCMR, Chapter 36, Section 3601.2.				
	C. This supplemental agreement is entered into pursuant to authority of:				
	D. Other (Specify type of modification and authority)				
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input type="checkbox"/> is required to sign this document and return _____ copies to the issuing office.					
14. Description of amendment/modification (Organized by UCF Section headings, including solicitation/contract subject matter where feasible.) THE REQUEST FOR PROPOSAL NO. DCTO-2007-5-0045 IS HEREBY AMENDED AS FOLLOWS: 1. RESPONSE TO QUESTIONS OF CLARIFICATION ARE SET FORTH IN ATTACHMENT A. 2. DELETE SECTION B IN ITS ENTIRETY, INSERT REVISED SECTION B (SEE ATTACHMENT B.) 3. DELETE SECTION C IN ITS ENTIRETY, INSERT REVISED SECTION C (SEE ATTACHMENT C.) 4. DELETE SECTION F IN ITS ENTIRETY, INSERT REVISED SECTION F (SEE ATTACHMENT D.) 5. SECTION L, DELETE PARAGRAPH L.1.1 AND L.2.4 IN ITS ENTIRETY, INSERT REVISED PARAGRAPHS (SEE ATTACHMENT E.) 6. DELETE SECTION M.4 IN ITS ENTIRETY AND INSERT REVISED SECTION M.4 (SEE ATTACHMENT F.) THE DUE DATE AND TIME FOR SUBMISSION OF PROPOSALS IS HEREBY EXTENDED UNTIL 2:00 P.M., LOCAL TIME, FRIDAY, NOVEMBER 16, 2007.					
Except as provided herein, all terms and conditions of the document referenced in Item (9A or 10A) remain unchanged and in full force and effect					
15A. Name and Title of Signer (Type or print)			16A. Name of Contracting Officer William Sharp		
15B. Name of Contractor		15C. Date Signed	16B. District of Columbia		16C. Date Signed 11/2/2007
(Signature of person authorized to sign)			(Signature of Contracting Officer)		

ATTACHMENT A – QUESTIONS AND ANSWERS

RFP NO. DCTO-2007-R-0045

The purpose of this Amendment is to answers questions.

- 1. On page 2, Section B.3.1 states that the minimum quantity of hours is 1,920; however, the minimum hours in Section B.4 indicates 1. Please address the discrepancy.**

See revised Section B, Attachment B

- 2. To ensure that the correct reference is made to clauses mentioned in Section D and Section E.1, please provide the website or reference a document where these clauses can be found.**

The web site is www.ocp.dc.gov

- 3. In Section G.2.1 states the contract shall submit proper invoices on a monthly basis which conflicts with Section G.4. Please address the discrepancy.**

Delete Paragraph G.4 PAYMENT in its entirety and insert new paragraph.

PARTIAL PAYMENTS

Unless otherwise specified in this contract, payment will be made on partial deliveries of goods and services accepted by the District if:

- a) The amount due on the deliveries warrants it; or
- b) The Contractor requests it and the amount due on the deliveries are in accordance with the following:

"Payment will be made on completion and acceptance of each percentage or stage of work in accordance with the prices stated in the Schedule in Section B."

- 4. In Section G.2.1. states that the COTR is mentioned in Section G.9; however, the person is referenced in G.10.**

Under Section G.2.1 delete G.9 insert G.10.

- 5. In Section G.4(b), it conflicts with the monthly invoicing mentioned in G.2.1.**

Refer to question no. 3 above.

6. **Reference Section H.10.3, for clarity, please address "during normal business hours" for this effort.**

The hours are 8:30 a.m. to 5:30 p.m.

7. **Section H.11 references how to handle key personnel but doesn't address any key personnel positions in the solicitation.**

Paragraph H.11 is not applicable.

Section B: Supplies or Services and Price

- B.3 The proposal states that this is an IDIQ type contract with no limits on the number of task orders that may be issued. Will task orders be limited to performing activities to complete the 4 deliverables listed in section F.2? If additional or follow-up security activities are identified, would these efforts require separate procurements outside of this particular IDIQ contract?

ANS: Yes, there are no limit of number of tasks orders that can be issued under this solicitation. Should we include additional agencies, an amendment/modification will be issued.

- B.4 The Contract Line Item table lists only 3 Information Security Specialists. Should we assume that no more than 3 Information Security Resources can be committed to the contract? How would the team recover costs for other potentially needed resources (e.g., project manger, process analyst, project coordinator)?

ANS: The vendor is limited to three Information Security Specialists. There is currently a HIPAA PMO team in place that consists of a Project Manager, a Senior Security Engineer and Security Analyst.

Section C: Specifications/Work Statement

- C.1 Can you please provide a listing of the agencies, their components, and associated programs that comprise the Hybrid entity?

ANS: The DC Government HIPAA Cover Entities are comprised of the following agencies/programs:

- (1) Department of Health (DOH);
- (2) Department of Mental Health (DMH);
- (3) Child and Family Services Agency (CFSA);
- (4) Office on Aging (DCOA);
- (5) Fire and Emergency Medical Services Department (FEMS);
- (6) Department of Corrections (DOC);
- (7) Department of Human Services (DHS);
- (8) Department of Youth Rehabilitation Services (DYRS); and
- (9) Metropolitan Police Department (MPD).

- C.3.5 Is there a common risk assessment methodology being used by all Hybrid agencies? If so, can you provide a sample, or at least an outline, of the risk assessments performed for each agency?

ANS: Yes. The risk assessment methodology was based on FISMA Risk Management Framework.

C.3.5 Did a third-party vendor perform the security risk assessments for the Hybrid entity / OCTO? If so, is this vendor better positioned to support the security compliance activities being requested in this RFP?

ANS: Yes, a third-party vendor performed the security risk assessment; however the District feels that the separation of the assessment task and implementation of the mitigation task will provide the best results.

Section F: Deliverables or Performance

F.2 How much time is OCTO's allotting to develop each of the 4 key security compliance deliverables?

ANS: OCTO is requesting that the vendor provide a timeline (sample project plan) for the four key security deliverable as well as other related subcomponents.

F.2 Does OCTO expect to complete the deliverables, across other agencies, in a sequential or parallel manner? Also, must all the security compliance deliverables, across agencies, be completed within one (1) year?

ANS: OCTO is requesting that the vendor provide a timeline that address the most efficient way to deliver the project deliverables. All deliverables must be completed with the one (1) year timeframe.

Technical Questions

1. DC OCTO has established Enterprise Architecture standards to describe the relationships between Business, Information, Application, and Infrastructure architecture views. Will this project be required to use / conform to OCTO's Enterprise Architecture standards?

ANS: Yes. All technical implementations must adhere to OCTO enterprise standards and guidelines, where applicable. All deviations from these standards must be approved by an OCTO official.

Overall Proposal Questions

1. Has a budget for this IDIQ been established and can it be shared?

ANS: A budget has been established, it cannot be shared.

2. Is the offeror required to complete any parts of Attachment J.1.4: Past Performance Evaluation Form?

ANS: Yes. Each offeror is required to complete Attachment J.1.4

1. What current security tools are currently implemented?

ANS: There are no security tools implemented at the agency level; however OCTO has employed operating system (i.e. eEye Retina) and application (i.e. WebInspect and Cenxiz Hailstorm) security scanning software to aid in the vulnerability assessment efforts.

2. What security tools are planned to be implemented in near future?

ANS: The current security tools listed in item #1 will be retained. The offeror may recommend additional tools to satisfy the requirement.

3. May we review the network architecture of the affected agencies for this solicitation?

ANS: No. The solicitation will address the requirement of the HIPAA. The network architecture will be available to the vendor who is selected to perform the HIPAA Mitigation task.

4. May we review the PMO's risk assessment?

ANS: No. The solicitation will address the requirement of the HIPAA. The risk assessment will be available to the offeror who is selected to perform the HIPAA Mitigation task.

5. May we review agency's end-user/ethical use policy?

ANS: The end-user policy is available at the following website address: <http://octo.dc.gov/octo/cwp/view,a,1302,q,579925.asp>

6. What Operating Systems are implemented?

ANS: The operating systems consist of various versions of Microsoft including: 2003 (Server); 2000 (server); XP; etc.

7. What remote access solution(s) are implemented? Citrix? SSL VPN? IPsec VPN? Other?

ANS: Remote access solutions include SSL VPN.

8. Is there a Network or Security Operation Center currently monitoring network traffic of the affected agencies?

ANS: Yes.

9. May the contractors work offsite for certain testing purposes and for developing required standard operating procedures and plan?

ANS: Contractors are required to perform a service on-site. Contractors will be required to travel to agencies to perform some tasks. All agencies are located in the District of Columbia.

ATTACHMENT B**SECTION B: SUPPLIES OR SERVICES AND PRICE**

B.1 The Government of the District of Columbia, Office of Contracting and Procurement, on behalf of the Citywide Information Technology Security (CWITS) Program, is hereby seeking the assistance of qualified contractors that will carry out the tasks necessary to ensure the District's Hybrid entities maintain compliance with the HIPAA Security rule requirements.

B.2 The District contemplates award of an Indefinite Delivery Indefinite Quantity (IDIQ) contract with payment based on hourly rate prices.

B.3 INDEFINITE DELIVERY INDEFINITE QUANTITY (IDIQ) CONTRACT

This is an IDIQ contract for the services specified and effective for the period stated. The contractor shall provide all personnel and materials necessary to support OCTO in securing and mitigating HIPPA requirements.

B.3.1 Performance shall be made only as authorized by orders issued in accordance with the Ordering Clause, (Section G.7). The Contractor(s) shall furnish to the District, when and if ordered, the supplies or services specified in the Schedule up to and including the maximum quantity of one thousand nine hundred twenty hours. The District will order at least the minimum quantity of one hundred hours.

B.3.2 There is no limit on the number of task orders that may be issued. The District may issue task orders requiring performance at multiple locations.

B.3.3 Any task order issued during the effective period of this contract and not completed within that period shall be completed by the Contractor(s) within the time specified in the task order. The contract shall govern the Contractor(s)'s and District's rights and obligations with respect to that task order to the same extent as if the task order were completed during the contract's effective period.

B.4

Contract Line Item No. (CLIN)	Item Description	Quantity	Minimum Hours	Maximum Hours
001	Implementation and deployment of Technical Access Controls.	9 Agencies	100	1,920
002	Implementation and deployment of Technical Audit Controls.	9 Agencies	100	1,920
003	Implementation and deployment of Technical Data	9 Agencies	100	1,920

	Integrity Controls.			
004	Implementation and deployment of Person or Entity Authentication Controls.	9 Agencies	100	1,920
005	Implementation and deployment of Transmission Security Controls.	9 Agencies	100	1,920
006	Development of HIPAA Security training materials in accordance with SOW.	9 Agencies	100	1,920
007	Development of a Security Compliance Plan in accordance with SOW.	9 Agencies	100	1,920

B.5 DESIGNATION OF SOLICITATION FOR THE SMALL BUSINESS SET ASIDE MARKET ONLY

This Request for Proposals is designated for certified small business enterprise (SBE) offerors only under the provisions of the “Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005” (the Act), Title II, Subtitle N, of the “Fiscal Year 2006 Budget Support Act of 2005”, D.C. Law 16-33, effective October 20, 2005.

An SBE must be certified as small in the procurement category of Information Technology (IT) in order to be eligible to submit a bid or proposal in response to this solicitation.

SECTION C: SPECIFICATIONS/WORK STATEMENT

C.1 SCOPE:

The District Hybrid consists of the healthcare components of nine agencies and their associate sixteen programs. All of the healthcare components of these nine agencies and their associated programs not including the (Medical Assistance Authority MAA) may be included in this project. The contractor shall assist the agencies in implementing mitigation for technical security.

At the direction of CWITS the selected vendor(s) will implement an accurate and thorough mitigation effort of the risks and vulnerabilities to the confidentiality, integrity, and availability of electronic protected health information held by the District Hybrid; prepare a Security Compliance Plan and develop training materials in support of the HIPAA Security requirements.

The selected vendor(s) will implement a fully-compliant mitigation effort of the District Hybrid Administrative, Physical and Technical safeguards. Special emphasis will be placed on the Technical Safeguards:

- Access Control
- Audit Controls
- Integrity
- Person and Entity Authentication
- Transmission Security.

C.1.1 APPLICABLE DOCUMENTS

Item No.	Document Type	Title	Date
	N/A		

C.1.2 DEFINITIONS

N/A

C.2 BACKGROUND

The District of Columbia Government is committed to safeguarding and protecting the confidentiality of the protected health information under its control. This is the premise of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191 enacted by Congress, which includes requirements to govern patient healthcare information privacy and security issues.

Mitigation for Technical Security

In an effort to streamline and standardize the compliance with HIPAA, the District designated itself a Hybrid entity, as defined by HIPAA, including within the Hybrid entity those agencies which process, manipulate, archive, and/or have a significant nexus with protected health information (PHI).

Accordingly, the District of Columbia Government under the Executive Sponsorship of the Office of the Deputy Mayor for Children, Youth, Families, and Elders (“ODMCYFE”), created a Program Management Office (PMO) that was tasked to ensure that the HIPAA requirements are implemented and that the effected District agencies are compliant. The PMO, in its final phase, implementation of the Security Rule requirements as administered by the Office of the Chief Technology Officer (OCTO) for Citywide Information Technology Services (CWITS), completed a risk assessment and risk analysis. These processes provided the agencies which make up the Hybrid entity a snap shot of both their current level of compliance as well as steps necessary to demonstrate/enhance their respective programs level of compliance.

C.3 REQUIREMENTS

- C.3.1 Technical Safeguards – The contractor shall include the remedial efforts necessary to ensure and demonstrate the appropriate technical controls are in place necessary to demonstrate that the appropriate technology and the associated policy and procedures have been deployed which protect the District’s electronic protected health information and control access to it. The contractor shall understand that their remains a possibility that they will be required to provide a solution that provides a remedial fix for a Technical Safeguard as well as an Administrative Safeguard and/or Physical Safeguard as detailed in the HIPAA Security Rule.
- C.3.2 The contractor shall at a minimum include the mitigation efforts as they apply to HIPAA Security remediation:
 - i. Access Control solutions as they relate to Emergency Access Procedures, Encryption and Decryption
 - ii. Audit Controls solutions
 - iii. Transmission Security solutions as they relate to Integrity, Encryption
- C.3.3 The contractors shall address each task as if they were performing remediation for one agency within the Hybrid entity. The contractor shall not attempt to tailor the proposal to any given agency within the Hybrid entity. Additionally, the contractor shall use and document the appropriate Nation Institute of Standards and Technology (NIST) guidance that will be used during the remediation efforts.
- C.3.4 The contractor shall develop their remediation proposals with the understanding that both required and addressable safeguards remedial efforts may be included.
- C.3.5 The contractor shall document where one solution provides mitigation for multiple safeguards.

ATTACHMENT D

SECTION F: DELIVERIES OR PERFORMANCE

F.1 TERM OF CONTRACT

The term of the contract shall be for a period of one year from date of award specified on the cover page of the contract.

F.2 DELIVERABLES

Task	Required Service	Desired Outcome	Performance Standard	Performance Incentive	Monitoring Method
Network / Application / Database Security	Assist the HSPMO with process, implementation and deployment of Technical Access Controls to include: User Identification, Emergency Access, Automatic Logoff, and Encryption / Decryption in accordance with SOW.	Full compliance of all HIPAA Security Standards and Implementation Specifications for Technical Controls for data at rest and in motion for all nine agencies that is in accordance with the HIPAA Security Regulation, Part 164 entitled Security and Privacy.	Delineated Services shall be provided with a 98% success rate. Required services will be tallied each quarter to determine contractor success rate.	Contractor(s) receives 100% payment if services are as required and on time. Good performance will be documented in Past Performance Ratings	Contractor(s)'s Performance will be monitored by the Contracting Officer Technical Representative.
	Assist the HSPMO with process, implementation and deployment of Technical Audit Controls to include: system monitoring activity of hardware, software; logging audit functions of operating systems, databases and applications; reviewing of all individual (internal and external) accounts; monitoring and/or removing duplicate user IDs/accounts, inactive system accounts, suspended IDs; reviewing each employee's level of access to confirm it is still appropriate; retention for system logs in accordance with SOW.				
	Assist the HSPMO with process, implementation and deployment of Technical Data Integrity Controls to include: ePHI stored on hardware, software, applications, hard drives, electronic media or data repositories or during electronic transmission to authorized recipients such as business				

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Task	Required Service	Desired Outcome	Performance Standard	Performance Incentive	Monitoring Method
	associates and trading partners in accordance with SOW. Assist the HSPMO with process, implementation and deployment of Person or Entity Authentication Controls in accordance with SOW. Assist the HSPMO with process, implementation and deployment of Transmission Security Controls to include Integrity and Encryption / Decryption in accordance with SOW.				
Training	Assist HSPMO with the development of HIPAA Security training materials in accordance with SOW.	HIPAA Security training materials to be presented to Security Officers and Workforce Members	Delineated Services shall be provided with a 98% success rate. Required services will be tallied each quarter to determine contractor success rate.	Contractor(s) receives 100% payment if services are as required and on time. Good performance will be documented in Past Performance Ratings	Contractor(s)'s Performance will be monitored by the Contracting Officer Technical Representative.
Maintenance	Development of a Security Compliance Plan in accordance with SOW.	A HIPAA Security Compliance Plan which details all Hybrid activities and projects to be carried out by HSPMO and agencies to ensure continued compliance. Maintenance of all technical areas for all nine agencies that is in accordance with the HIPAA Security Regulation, Part 164 entitled Security and Privacy.	Delineated Services shall be provided with a 98% success rate. Required services will be tallied each quarter to determine contractor success rate.	Contractor(s) receives 100% payment if services are as required and on time. Good performance will be documented in Past Performance Ratings	Contractor(s)'s Performance will be monitored by the Contracting Officer Technical Representative.
Reports	Provide Weekly Progress Reports and Monthly Project Status Reports in	Develop and deliver weekly progress reports	Demonstrate to Government that all	Contractor(s) receives 100% payment if services	Contractor(s)'s Performance will be

Task	Required Service	Desired Outcome	Performance Standard	Performance Incentive	Monitoring Method
	accordance with SOW	and monthly project status reports to the HIPAA Security PMO Project Manager.	requirements have been gathered, documented received and complies with HIPAA Security Standards.	are as required and on time. Good performance will be documented in Past Performance Ratings	monitored by the Contracting Officer Technical Representative.

F.2.1 The Contractor(s) shall submit to the District, as a deliverable, the report described in section H.5.5 of this contract that is required by the 51% District Residents New Hires Requirements and First Source Employment Agreement. If the Contractor(s) does not submit the report as part of the deliverables, final payment to the Contractor(s) may not be paid.

F.3 OPTION TO EXTEND THE TERM OF THE CONTRACT

F.3.1 The District may extend the term of this contract for a period of two one year, option periods, or successive fractions thereof, by written notice to the Contractor before the expiration of the contract; provided that the District will give the Contractor a preliminary written notice of its intent to extend at least thirty (30) days before the contract expires. The preliminary notice does not commit the District to an extension. The exercise of this option is subject to the availability of funds at the time of the exercise of this option. The Contractor may waive the thirty (30) day preliminary notice requirement by providing a written waiver to the Contracting Officer prior to expiration of the contract.

F.3.2 If the District exercises this option, the extended contract shall be considered to include this option provision.

F.3.3 The price for the option period shall be as specified in the contract.

F.3.4 The total duration of this contract, including the exercise of any options under this clause, shall not exceed three years.

ATTACHMENT E

SECTION L: INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

1. Delete Paragraph L.1.1 in its entirety.

Insert the revised Paragraph under **L.1.1 Most Advantageous to the District**

The District intends to award multiple contract(s) resulting from this solicitation to the responsible offeror(s) whose offer(s) conforming to the solicitation will be most advantageous to the District, cost or price, technical and other factors, specified elsewhere in this solicitation considered.

2. Delete Paragraph L.2.4 in its entirety.

Insert the revised Paragraph under **L.2.4 Staffing Structure**

The offeror shall give an overview of the project implementation team including project leadership and reporting responsibilities. Describe the level and type of ability you can provide. List significant areas of staff certification such as CISSP, PMP, CHPS, CHS, CHSS, CISA, etc. Identify primary contacts for scheduling, contractual, and technical issues. Indicate your proposed staffing for this project. Include technical skill sets. Include the minimum qualifications, to include education, experience, and certification, of each team member resource to be deployed. Attach personnel biographies or resumes for this project.

The offeror must demonstrate a high level of skill, as well as extensive knowledge, expertise and experience in the following areas:

- Experience with implementing Information Security, HIPAA Privacy and Security Programs and business continuity programs
- Familiarity with the health care programs administered by the District Hybrid.
- Knowledge and experience with best practices in the health insurance industry for information security and business continuity
- The Contractor(s) must have sufficient qualified staff to meet the District Hybrid needs. This may include individuals who are certified in one or more of the disciplines of information security (CISSP, CISM) business continuity (CBCP) and protection of assets (CPP).
- The Contractor(s) must demonstrate its ability to manage projects and match staff to tasks in a manner that provides the most efficient use of resources.
- The Contractor(s) must have the ability to interact with other CWITS vendors in a professional and credible manner, in the day-to-day performance of tasks, in (the development of security procedures and in the presentation/delivery of training to support staff implementation of defined security procedures.

ATTACHMENT F

M.4 SMALL BUSINESS SET-ASIDE SOLICITATION WITH LSDBE SUBCONTRACTING SET-ASIDE (SUPPLIES AND SERVICES)

Preferences for Local Businesses, Disadvantaged Businesses, Resident-owned Businesses, Small Businesses, Longtime Resident Businesses, or Local Businesses with Principal Offices Located in an Enterprise Zone

Under the provisions of the “Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005” (the Act), Title II, Subtitle N, of the “Fiscal Year 2006 Budget Support Act of 2005”, D.C. Law 16-33, effective October 20, 2005, the District shall apply preferences in evaluating bids or proposals from businesses that are small, local, disadvantaged, resident-owned, longtime resident, or local with a principal office located in an enterprise zone of the District of Columbia.

M.4.1 Required Subcontracting Set-Aside

35% of the total dollar value of this contract has been set-aside for performance through subcontracting with businesses certified by the Small and Local Business Opportunity Commission (SLBOC) or the Department of Small and Local Business Development (DSLBD), as applicable, as local business enterprises, disadvantaged business enterprises, resident-owned businesses, local business enterprises with their principal offices located in an enterprise zone, small business enterprises, or longtime resident businesses. Any prime contractor responding to this solicitation shall submit within 5 days of the contracting officer’s request, a notarized statement detailing its subcontracting plan. Once the plan is approved by the contracting officer, changes will only occur with the prior written approval of the contracting officer and the Director of DSLBD.

M.4.2 General Preferences

For evaluation purposes, the allowable preferences under the Act for this procurement are as follows:

- M.4.2.1** Three percent reduction in the bid price or the addition of three points on a 100-point scale for a small business enterprise (SBE) certified by the Small and Local Business Opportunity Commission (SLBOC) or the Department of Small and Local Business Development (DSLBD), as applicable;
- M.4.2.2** Three percent reduction in the bid price or the addition of three points on a 100-point scale for a resident-owned business enterprise (ROB) certified by the SLBOC or the DSLBD, as applicable;
- M.4.2.3** Ten percent reduction in the bid price or the addition of ten points on a 100-point scale for a longtime resident business (LRB) certified by the SLBOC or the DSLBD, as applicable;

- M.4.2.4** Two percent reduction in the bid price or the addition of two points on a 100-point scale for a local business enterprise (LBE) certified by the SLBOC or the DSLBD, as applicable;
- M.4.2.5** Two percent reduction in the bid price or the addition of two points on a 100-point scale for a local business enterprise with its principal office located in an enterprise zone (DZE) and certified by the SLBOC or the DSLBD, as applicable; and
- M.4.2.6** Two percent reduction in the bid price or the addition of two points on a 100-point scale for a disadvantaged business enterprise (DBE) certified by the SLBOC or the DSLBD, as applicable.

M.4.3 Application of Preferences

The preferences shall be applicable to prime contractors as follows:

- M.4.3.1** Any prime contractor that is an SBE certified by the SLBOC or the DSLBD, as applicable, will receive a three percent (3%) reduction in the bid price for a bid submitted by the SBE in response to an Invitation for Bids (IFB) or the addition of three points on a 100-point scale added to the overall score for proposals submitted by the SBE in response to a Request for Proposals (RFP).
- M.4.3.2** Any prime contractor that is an ROB certified by the SLBOC or the DSLBD, as applicable, will receive a three percent (3%) reduction in the bid price for a bid submitted by the ROB in response to an IFB or the addition of three points on a 100-point scale added to the overall score for proposals submitted by the ROB in response to an RFP.
- M.4.3.3** Any prime contractor that is an LRB certified by the SLBOC or the DSLBD, as applicable, will receive a ten percent (10%) reduction in the bid price for a bid submitted by the LRB in response to an IFB or the addition of ten points on a 100-point scale added to the overall score for proposals submitted by the LRB in response to an RFP.
- M.4.3.4** Any prime contractor that is an LBE certified by the SLBOC or the DSLBD, as applicable, will receive a two percent (2%) reduction in the bid price for a bid submitted by the LBE in response to an IFB or the addition of two points on a 100-point scale added to the overall score for proposals submitted by the LBE in response to an RFP.
- M.4.3.5** Any prime contractor that is a DZE certified by the SLBOC or the DSLBD, as applicable, will receive a two percent (2%) reduction in the bid price for a bid submitted by the DZE in response to an IFB or the addition of two points on a 100-point scale added to the overall score for proposals submitted by the DZE in response to an RFP.

M.4.3.6 Any prime contractor that is a DBE certified by the SLBOC or the DSLBD, as applicable, will receive a two percent (2%) reduction in the bid price for a bid submitted by the DBE in response to an IFB or the addition of two points on a 100-point scale added to the overall score for proposals submitted by the DBE in response to an RFP.

M.4.4 Maximum Preference Awarded

Notwithstanding the availability of the preceding preferences, the maximum total preference to which a certified business enterprise is entitled under the Act for this procurement is twelve percent (12%) for bids submitted in response to an IFB or the equivalent of twelve (12) points on a 100-point scale for proposals submitted in response to an RFP. There will be no preference awarded for subcontracting by the prime contractor with certified business enterprises.

M.4.5 Preferences for Certified Joint Ventures

When the SLBOC or the DSLBD, as applicable, certifies a joint venture, the certified joint venture will receive preferences as a prime contractor for categories in which the joint venture and the certified joint venture partner are certified, subject to the maximum preference limitation set forth in the preceding paragraph.

M.4.6 Vendor Submission for Preferences

M.4.6.1 Any vendor seeking to receive preferences on this solicitation must submit at the time of, and as part of its bid or proposal, the following documentation, as applicable to the preference being sought:

M.4.6.1.1 Evidence of the vendor's or joint venture's certification by the SLBOC as an SBE, LBE, DBE, DZE, LRB, or RBO, to include a copy of all relevant letters of certification from the SLBOC; or

M.4.6.1.2 Evidence of the vendor's or joint venture's provisional certification by the DSLBD as an SBE, LBE, DBE, DZE, LRB, or RBO, to include a copy of the provisional certification from the DSLBD.

M.4.6.2 Any vendor seeking certification or provisional certification in order to receive preferences under this solicitation should contact the:

Department of Small and Local Business Development
ATTN: LSDBE Certification Program
441 Fourth Street, N.W., Suite 970N
Washington, DC 20001

M.4.6.3 All vendors are encouraged to contact the DSLBD at (202) 727-3900 if additional information is required on certification procedures and requirements.

M.4.7 Subcontracting Plan

Any prime contractor responding to a solicitation in which there is an LBE, DBE, SBE, DZE, LRB, or ROB subcontracting set-aside, shall submit, within 5 days of the contracting officer's request, a notarized statement detailing its subcontracting plan. Each subcontracting plan shall include the following:

- M.4.7.1** A description of the goods and services to be provided by the LBEs, DBEs, SBEs, DZEs, LRBs, or ROBs;
- M.4.7.2** A statement of the dollar value, by type of business enterprise, of the bid or proposal that pertains to the subcontracts to be performed by the LBEs, DBEs, SBEs, DZEs, LRBs, or ROBs;
- M.4.7.3** The names and addresses of all proposed subcontractors who are LBEs, DBEs, SBEs, DZEs, LRBs, or ROBs;
- M.4.7.4** The name of the individual employed by the prime contractor who will administer the subcontracting plan, and a description of the duties of the individual;
- M.4.7.5** A description of the efforts the prime contractor will make to ensure that LBEs, DBEs, ROBs, SBEs, LRBs, or DZEs will have an equitable opportunity to compete for subcontracts;
- M.4.7.6** In all subcontracts that offer further subcontracting opportunities, assurances that the prime contractor will include a statement, approved by the contracting officer, that the subcontractor will adopt a subcontracting plan similar to the subcontracting plan required by the contract;
- M.4.7.7** Assurances that the prime contractor will cooperate in any studies or surveys that may be required by the contracting officer, and submit periodic reports, as requested by the contracting officer, to allow the District to determine the extent of compliance by the prime contractor with the subcontracting plan;
- M.4.7.8** List the type of records the prime contractor will maintain to demonstrate procedures adopted to comply with the requirements set forth in the subcontracting plan, and include assurances that the prime contractor will make such records available for review upon the District's request; and

M.4.7.9 A description of the prime contractor's recent effort to locate LBEs, DBEs, SBEs, DZEs, LRBs, and ROBs, and to award subcontracts to them.

M.4.8 Enforcement and Penalties for Willful Breach of Subcontracting Plan

The willful breach by a contractor of a subcontracting plan for utilization of local, small, or disadvantaged businesses in the performance of a contract, the failure to submit any required subcontracting plan monitoring or compliance report, or the deliberate submission of falsified data may be enforced by the DSLBD through the imposition of penalties, including monetary fines of \$15,000 or 5% of the total amount of the work that the contractor was to subcontract to local, small, or disadvantaged businesses, whichever is greater, for each such breach, failure, or falsified submission.