

SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS <i>OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, & 30</i>				1. REQUISITION NUMBER		PAGE 1 OF 14				
2. CONTRACT NO. N00104-04-A-ZF19		3. AWARD.EFFECTIVE DATE SEE BLOCK 31		4. ORDER NUMBER		5. SOLICITATION NUMBER		6. SOLICITATION ISSUE DATE		
7. FOR SOLICITATION INFORMATION CALL:			a. NAME			b. TELEPHONE NUMBER (No collect calls)		8. OFFER DUE DA TIME		
9. ISSUED BY DEPARTMENT OF THE NAVY NAVAL INVENTORY CONTROL POINT 5450 CARLISLE PIKE MECHANICSBURG, PA 17055-0788 POC: VALERIE KOLARIC/CODE 0272.14 PHONE: (717) 605-5325 EMAIL: VALERIE.KOLARIC@NAVY.MIL				CODE N00104		10. THIS ACQUISITION IS <input type="checkbox"/> UNRESTRICTED <input type="checkbox"/> SET ASIDE: %FOR <input type="checkbox"/> SMALL BUSINESS <input type="checkbox"/> SMALL DISADV. BUSINESS <input type="checkbox"/> 8(A) SIC: SIZE STANDARD:		11. DELIVERY FOR DESTINATION UNLESS BLOCK IS MARKED <input type="checkbox"/> SEE SCHEDULE <input type="checkbox"/> 13a. THIS CONTRACT IS A RATED ORDE DPAS (15 CFR 700) 13b. RATING 14. METHOD OF SOLICITATION <input type="checkbox"/> RFO <input type="checkbox"/> IFB <input type="checkbox"/> RI		12. DISCOUNT TER
15. DELIVER TO SPECIFIED ON EACH ORDER				CODE		16. ADMINISTERED BY BASIC AGREEMENT - SAME AS BLOCK 9 ORDERS - AS CITED ON EACH INDIVIDUAL ORDER				
17a. CONTRACTOR/OFFEROR DIGITAL SYSTEMS GROUP, INC. ATTN: CONTRACTS ADMINISTRATION 650 LOUIS DRIVE, SUITE 110 WARMINSTER, PA 18974 POC: THOMAS B. MOOGAN Email: contracts@dsg-inc.com				CODE 09PP4		FACILITY		18a. PAYMENT WILL BE MADE BY SPECIFIED ON EACH ORDER		CODE N00104
<input checked="" type="checkbox"/> 17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER						18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BLOCK BELOW IS CHECKED. <input type="checkbox"/> SEE ADDENDUM				
19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES				21. QUANTITY	22. UNIT	23. UNIT PRICE		24. AMOUNT	
	SEE ATTACHMENT A - PRODUCTS AND PRICING GSA SCHEDULE GS-35F-0760J APPLIES REMIT TO: DIGITAL SYSTEMS GROUP, INC., ACCOUNTS RECEIVABLE 650 LOUIS DRIVE, SUITE 110 WARMINSTER, PA 18974									
25. ACCOUNTING AND APPROPRIATION DATA N/A - SPECIFIED ON EACH ORDER							26. TOTAL AWARD AMOUNT (For Govt. Use Onl)			
<input type="checkbox"/> 27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4. FAR 52.212-3 AND 52.212-5 ARE ATTACHED. ADDENDA <input type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTAC										
<input checked="" type="checkbox"/> 27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4, FAR 52.212-5 IS ATTACHED. ADDENDA <input checked="" type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED.										
28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN <u>1</u> COPY TO <input checked="" type="checkbox"/> ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED HEREIN.						29. AWARD OF CONTRACT: REFERENCE _____ OFFER <input type="checkbox"/> DATED _____. YOUR OFFER ON SOLICITATION (BLOCK 5). INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS:				
30a. SIGNATURE OF OFFEROR/CONTRACTOR <i>/s/</i>					31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER) <i>R. L. Klinger</i>					
30b. NAME AND TITLE OF SIGNER (TYPE OR PRINT) THOMAS B. MOOGAN VICE PRESIDENT			30c. DATED SIGNED 08/20/2004		31b. NAME OF CONTRACTING OFFICER (TYPE OR PRINT) R. L. KLINGER CONTRACTING OFFICER			31c. DATE SIGNED 08/23/2004		
32a. QUANTITY IN COLUMN 21 HAS BEEN <input type="checkbox"/> RECEIVED <input type="checkbox"/> INSPECTED <input type="checkbox"/> ACCEPTED, AND CONFORMS TO THE CONTRACT. EXCEPT AS NOTED					33. SHIP NUMBER <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL		34. VOUCHER NUMBER		35. AMOUNT VERIFIED CORRE	
32b. SIGNATURE OF AUTHORIZED GOVT REPRESENTATIVE					32c. DATE		36. PAYMENT <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL		37. CHECK NUMB	
32b. SIGNATURE OF AUTHORIZED GOVT REPRESENTATIVE					32c. DATE		38. S/R ACCOUNT NUMBER		39. S/R VOUCHER NUMBER	
41a. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT					42a. RECEIVED BY (Print)					
41b. SIGNATURE AND TITLE OF CERTIFYING OFFICER				41c. DATE		42b. RECEIVED AT (Location)				
				42c. DATE REC'D (YY/MM/DD)		42d. TOTAL CONTAINERS				

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30b. NAME AND TITLE OF SIGNER (TYPE OR PRINT) Thomas B. Moogan Vice President			30c. DATED SIGNED 8/20/04			31b. NAME OF CONTRACTING OFFICER (TYPE OR PRINT) R. L. KLINGER CONTRACTING OFFICER			31c. DATE SIGNED 8/23/04				
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41c. DATE						42c. DATE REC'D (YYMMDD)		42d. TOTAL CONTAINERS					

Blanket Purchase Agreement DoD Enterprise Software Agreement (ESA)

In the spirit of the National Performance Review, the Department of Defense (DoD) and Digital Systems Group, Inc. enter into a cooperative agreement to further reduce the administrative costs of acquiring commercial items from the General Service Administration (GSA) Federal Supply Schedule Contract GS-35F-0760J.

Federal Supply Schedule Contract Blanket Purchase Agreements (BPA) reduce contracting and open market costs such as: search for sources, the development of technical documents, solicitations, and the evaluation of bids and offers.

This BPA will further decrease costs, reduce paperwork, and save time by eliminating the need for repetitive, individual purchases from the schedule contract. The end result is to create a purchasing mechanism for the Government that works better and costs less.

The Enterprise Software Initiative (ESI) is a joint DoD project to develop and implement a DoD enterprise process. This BPA is issued in the spirit of the policy and guidelines provided in the Defense Federal Acquisition Regulation Supplement (DFARS) Section 208.74.

Attachments to this agreement are:

- a. Attachment A – Special Terms Applicable To This BPA
- b. Attachment B - BPA Discount Schedule
- c. Attachment C– Report of Sales Format
- d. Attachment D– ITEC Direct – Standard Format

A. TERMS AND CONDITIONS

1. Pursuant to General Services Administration (GSA) Federal Supply Services (FSS) Contract Number GS-35F-0760J, Digital Systems Group, Inc. agrees to the following terms of a Blanket Purchase Agreement (BPA) with the Naval Inventory Control Point. All orders placed against this BPA are subject to the terms and conditions of the FSS Contract. The items on this BPA are set forth in Attachment A. License terms and conditions applicable to products acquired under this BPA are defined in the Digital Systems Group, Inc. License Agreement included in the GSA Schedule. The Order of Precedence for resolving any inconsistency between the Commercial License and the GSA contract terms shall be as specified in the GSA contract's Commercial Item clause, FAR 52.212-4, and the provisions of FAR 52.212-4 specified in FAR 12.302, as required by Federal law, shall prevail over any terms of the commercial license.

2. **Extent of Obligation.** The Government is obligated only to the extent of authorized purchases actually made under this BPA. There is no minimum order guarantee.

3. **Funds Obligation.** The BPA does not obligate any funds. Funds will be obligated on each delivery order.

4. **BPA Term.** The BPA expires three years after establishment. The BPA will be reviewed annually to ensure that it still represents a "best value" and is contingent upon the Contractor maintaining or renewing a GSA FSS Schedule.

5. Pricing Terms. Attachment A provides unit prices for all products under this BPA. Prices shall not escalate and are not subject to upward adjustment during the term of the BPA. Additional products may be added to this agreement at the same or greater discount from GSA schedule prices in accordance with the technology improvement or refreshment provisions specified in the BPA. Spot discounting is encouraged and all discounts and promotions shall be offered to the individual customers. The prices will be reviewed annually, or as required to determine whether a reduction is appropriate in accordance with the price reduction provisions of the agreement. A 2.0% Acquisition, Contracting, and Technical (ACT) Fee shall be included in the prices. The contractor shall be responsible for the payment of all fees that are included in the product pricing (i.e. GSA, ACT), as calculated on the customer orders.

6. Discount Terms and Conditions. Prices for software are provided at six discount levels as determined by the cumulative sales under this agreement. The reduced pricing for the higher discount levels will be available on the first day following achievement of the dollar value. In addition to the transactional discount, an additional discount will also be applied to individual delivery orders as determined by the cumulative total list price of all software orders placed against this BPA. This Aggregate Discount will be applied to the net price of the order after consideration of the appropriate transactional discounts. The Aggregate Discount will be applied to current government fiscal year licensing based on the previous fiscal year's cumulative license amount. Sales made from date of BPA issuance through 30 September 2005 will constitute the first aggregation period. Orders for non-software products and services and open-market items not offered through the GSA schedule are not counted toward the Aggregate Total Order amount for purposes of establishing the proposed software discount levels. The software list price is defined as the price shown in the GSA Contract at the time the order is placed. The Contractor is responsible for the tracking of cumulative value and timely notification to the Government when each discount level is achieved. See Attachments A and B for the volume level price discounts and applicable terms.

7. Purchase of Incidental, Non-Schedule Items. For administrative convenience, open market (non-contract) items may be added to this BPA, provided that the items are clearly labeled as such, all applicable regulations have been followed and price reasonableness has been determined by the Ordering Agency for the open market (non-contract) items.

8. Price Reduction.

8.1 Most Favored Customer Prices. The prices under this BPA shall be at least as low as the prices that the contractor has under any other contract instrument under like terms and conditions. If at any time the prices under any other contract instrument become lower than the prices in this BPA, this BPA will be modified to include the lower prices.

8.2 SmartBUY Transition. OMB has recently announced the SmartBUY initiative to maximize cost savings and achieve best quality when acquiring software. The General Services Administration (GSA) is the designated Executive Agent for SmartBUY. The initiative will establish software enterprise licensing on a government-wide basis. If during the term of this ESA, Digital Systems Group, Inc. enters into a government-wide agreement with the GSA under the SmartBUY Initiative, which includes pricing for the specific products or services under similar terms and conditions as those licensed by the DoD, Digital Systems Group, Inc. will not preclude the DoD from licensing products or purchasing services under a SmartBUY agreement.

9. License Agreement. Notwithstanding any provision to the contrary, licenses are transferable within the authorized users as stated in paragraph B.1. Software licenses purchased under this BPA are perpetual and are subject to the licensing provisions and the terms of the GSA Contract. Any delivery order issued hereunder will serve as proof of purchase. The following additional license provisions apply:

9.1 Functionality Replacement and Extended Support. If the form, fit, or functionality contained in any licensed products acquired hereunder is substantially reduced or if the product is replaced, and/or Digital Systems Group, Inc., provides this same or substantially similar functionality as a separate or renamed product, then the DoD is entitled to license such software at no additional licenses or maintenance fees. However, throughout the term of this agreement, the contractor will provide support services for a period of one year.

9.2 Rights of Survivorship of the Agreement. The software and agreement terms and conditions as covered under this agreement shall survive this agreement notwithstanding the acquisition or merger of Digital Systems Group by or with another entity. Any software name changes, re-packing or merger of similar products that carry forward the same or similar function of the software shall be supported with updates, upgrades and new releases under this agreement at no additional cost.

9.3 Audits. In lieu of any applicable audit provisions in the publisher license agreement, licensee may perform an internal audit and will use its best efforts to keep full and accurate accounts that may be used to properly ascertain and verify numbers of licenses in use.

10. Media. Because of the complexity and size of the application, Digital Systems Group handles all initial installations of IFMIS. The application is installed by Digital Systems Group via FTP from its servers over the Internet. Once the IFMIS application has been installed, all corrections, upgrades, enhancements, etc. are done electronically via a secure transmission capability between Digital Systems Group and the client's environment. Transmissions are typically made to a non-production environment, giving the client the opportunity to review and approve each transmission before moving it into their production environment. If preferable, corrections, upgrades and enhancements can also be delivered to clients on CD-ROM.

11. Software Maintenance. Digital Systems Group, Inc.'s software maintenance services under this BPA are offered at the standard GSA Contract rates in effect at the time an order is placed. Special discounting may be negotiated based on circumstances of individual orders. At no time shall prices be greater than the standard GSA price.

12. Training and Professional Services. Digital Systems Group, Inc.'s training services under this BPA are offered at the standard GSA Contract rates in effect at the time an order is placed. Special discounting may be negotiated based on circumstances of individual orders. At no time shall prices be greater than the standard GSA prices.

13. Technology Improvement. The Government may solicit and the BPA holder is encouraged to propose independently, technology improvements to the BPA. Proposals shall be submitted by the BPA holder and include a description of the products and/or services, an electronic copy of the pricing tables, technical literature that describes the products and/or services, and evidence of inclusion on GSA schedule. Discounts shall be at the same or greater discount level as the original BPA product prices.

14. Substitution and Technology Refreshment. If at any time during the life of this BPA, the original manufacturer of the equipment (includes software, hardware and firmware) schedules the products for discontinuation, improvement and/or replacement, the BPA holder shall provide a proposal to include the new or revised products on the BPA under the appropriate line items. Proposed prices for new or revised products shall be constructed in accordance with paragraph 8 of this BPA for most favored prices. Discounts shall be at the same or greater discount level as the original BPA product prices. Proposals shall be submitted to the Contracting Officer within seven (7) days of the BPA holder's awareness of the OEM's intent. Improvement of product includes new releases, updates, upgrades including additional features and functionality, and successor or upgrade products.

B. AUTHORIZED USERS AND POINTS OF CONTACT

1. Authorized Users. The BPA is open for ordering by all Department of Defense (DoD) Components. For the purposes of this agreement, a DoD component is defined as: the Office of the Secretary of Defense (OSD), the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Inspector General of the Department of Defense (DoD IG), the Defense Agencies, the DoD Field Activities, the U. S. Coast Guard, and the Intelligence Community. This BPA is also open to DoD Contractors authorized to order in accordance with the FAR Part 51.

2. BPA Points of Contact:

a. Contracting Office:

Point of Contact:
Naval Inventory Control Point
5450 Carlisle Pike
Building 407, Code 0272.14
Mechanicsburg, PA 17055-0788

POC: Valerie Kolaric
Phone: (717) 605-5325
Fax: (717) 605-4600
Email: Valerie.Kolaric@navy.mil

Procuring Contracting Officer (PCO):
Naval Inventory Control Point
5450 Carlisle Pike
Code 0272
Mechanicsburg, PA 17055-0788

PCO: Rodney Klinger
Phone: (717) 605-3824
Fax: (717) 605-4600
Email: Rodney.Klinger@navy.mil

b. Software Product Manager (SPM):

Software Product Manager (SPM):
DON IT Umbrella Program Management Office
SPAWAR Systems Center San Diego
53560 Hull Street
Code 2829
San Diego, CA 92152-5001

SPM: Peggy Harpe
Phone: (619) 524-9644
Fax: (619) 524-9678
Email: Peggy.Harpe@navy.mil

or Alternate Point of Contact:
DON IT Umbrella Program Management Office
SPAWAR Systems Center San Diego
53560 Hull Street
Code 2829
San Diego, CA 92152-5001

POC: Steve Thompson
Phone: (619) 524-9640
Fax: (619) 524-9678
Email: Steve.Thompson@navy.mil

c. Financial Management Office (FMO):

SPAWAR Systems Center Charleston
Norfolk Office
Building V-53, Code 645.2
P.O. Box 1376
Norfolk, VA 23501-1376

If overnight or express mail is used, the correct address is:

SPAWAR Systems Center Charleston
Norfolk Office
9456 Fourth Avenue
Building V-53, Code 645.2
Norfolk, VA 23511-2130

FMO: Elizabeth Vonasek
Phone: (757) 445-1493
Fax: (757) 445-2103
Email: Elizabeth.Vonasek@navy.mil

d. Customer Point of Contact: (To be specified on each order.)

C. ORDERING

1. DFARS Section 208.74 directs software buyers and requiring officials to check the DoD ESI website for DoD inventory or an ESA before using another method of acquisition. These steps for the buyer are summarized from the DFARS:

- a. Check the Enterprise Agreement Summary Table to determine if software rights or maintenance have already been purchased and are available from DoD inventory. If they are available, purchase the designated software from DoD inventory and reimburse the SPM.
- b. If the required software rights or maintenance are not available from inventory or from an ESA, you may use an alternate method of acquisition, subject to laws and policy.
- c. If the required software rights or maintenance are not available from inventory but are available from an ESA, you must follow the procedure in the DFARS Section 208.74.
- d. If you must obtain the software or software maintenance outside the DoD ESA, you may seek a waiver from a management official designated by your DoD Component.

This BPA will be posted to the DoD ESI website as part of the ESI program. The web site can be viewed at <http://www.don-imit.navy.mil/esi>.

2. **Delivery Orders.** The scope of this effort is worldwide. Delivery requirements and administration will be stipulated on Delivery Orders. Ordering via this BPA is decentralized. Orders are prepared by a Government Ordering Officer (a duly warranted Contracting Officer whose warrant authorizes purchases from the GSA Schedule) in accordance with the terms and conditions of this BPA and the GSA Schedule. Orders may be placed by EDI, credit card, facsimile, on an authorized form such as

a Standard Form (SF) 1449 or Department of Defense (DD) Form 1155.

Notice to Ordering Offices: This is a single award BPA established non-competitively against GSA Schedule to provide discounted pricing and enhanced terms and conditions. The Ordering Officer must ensure compliance with DFARS 208.74 after requirements are determined.

If a requirement exists for the software and/or services covered by this vehicle, it is the responsibility of the Ordering Officer to comply with the ordering procedures specified in FAR 8.405-1 and 8.405-2, and the documentation requirements found at FAR 8.405-6 as applicable. Ordering Officers are also responsible for ensuring the vendor selected for the order represents the best value and the lowest overall cost alternative for the requirement being ordered (see FAR 8.404).

When ordering services, ordering offices are responsible for compliance with FAR 8.405-2, DFARS 208.404-70 and GSA's Ordering Procedures for Services (SIN 132-51).

For Professional Services orders, the following shall also be included:

- a. Description of Services
- b. Mutually Agreed Upon Statement of Work
- c. Period of Performance
- d. Place of Performance
- e. Pricing and Payment Terms

3. Users' Ordering Guide. The Contractor shall develop a Users' Ordering Guide in coordination with the Government that will be posted to the Contractor web site and various Government sites. The Ordering Guide shall be submitted to the SPM and PCO within thirty (30) days of BPA issuance and made available on the Contractor's home page upon written approval. This guide shall be continuously updated as required. The guide shall contain all information necessary for geographically dispersed activities to place orders, including, as a minimum:

- a. URL where a complete list of products available, with appropriate contract line item numbers (CLINs) and associated prices can be found
- b. Government and Contractor Points of Contact
- c. Description of the ordering process
- d. Program Terms and Conditions
- e. License Terms and Conditions
- f. Information necessary to complete a DD350 (such as CAGE, DUNS, TIN, Business Size, etc.)
- g. Range of discounts
- h. Links to DoD ESI and the Government web sites

4. E-Commerce Site. It is the intention of the Government to use existing and future capability of the DoD Standard Procurement System, Electronic Data Interchange (EDI) capability, Government procurement card, and vendor electronic ordering capability to create a paper-less ordering, invoicing and payment process. During the term of the BPA, the Contractor shall participate to achieve this objective.

This BPA will be posted to the DoD ESI website as part of the ESI program. The web site can be viewed at <http://www.don-imit.navy.mil/esi>. This BPA may also be loaded into the electronic catalog systems of other DoD agencies.

On-line ordering can also be accomplished at <http://www.itec-direct.navy.mil>. ITEC Direct is the Navy's World Wide Web accessible shopping and order processing tool. The following requirements apply to this BPA:

- a. This BPA may be placed in the Department of the Navy's (DON) ITEC Direct system as part of the DON Information Technology Electronic Commerce (ITEC) Direct Project. If placed in ITEC Direct, the contractor shall insure that the data and information obtained through ITEC Direct is current, accurate, complete, in the standard format enabling expedient data loading and relevant to the acquisition vehicle. The standard format is provided as Attachment D.
- b. The Contractor shall maintain a database of prices with the required and relevant information and links to technical specifications to be accessible by ITEC Direct in a distributed database environment.
- c. The Contractor shall maintain coordinated and integrated hypertext links to ITEC Direct from their World Wide Web site(s) to the ITEC Direct site and shall insure the integrity of any data and information posted on their web sites or in the ITEC Direct web site for their acquisition vehicle. This effort may require the Contractor to adapt their practices so that electronic commerce can be conducted through ITEC Direct to the vendor.
- d. The Contractor shall provide EC/EDI capabilities and accept and respond to secure on-line orders and customer requests consistent with the terms of this acquisition vehicle.
- e. The Contractor shall adapt its business processes, at no additional cost to the government, as the DoD Virtual Information Technology Marketplace (VITM) and ITEC Direct technical requirements, environment and architecture evolve. The VITM may be reached via the web site www.vitm.gov.

This BPA may also be loaded into the electronic catalog systems of other DoD agencies.

5. Delivery Schedule. The Contractor will be required to deliver all products within 30 days of receipt of order. More expedient delivery terms may be proposed on individual orders and are encouraged. Deliveries will be made to the address specified on the delivery orders issued against the BPA.

6. Delivery Notice. Unless otherwise agreed to, all deliveries ordered under this BPA must be accompanied by a delivery notice, ticket or sales slips that must contain at a minimum the following information:

- a. Name of Contractor
- b. GSA Contract Number
- c. BPA Number
- d. Product Description/Model numbers
- e. Delivery order number
- f. Date of purchase

- g. Quantity, unit price and extension of each item (unit prices need not be shown when incompatible with the use of automated systems; provided that the invoice is itemized to show the information)
- h. Date of shipment

7. **Suspension.** There may be occasions where the Government may suspend ordering (by CLIN up to and including the entire BPA.) If a suspension is announced, the Contractor shall adhere to this suspension by not accepting/processing delivery orders for the suspended item(s).

D. INVOICING AND PAYMENT

1. **Invoicing.** The requirements of a proper invoice are as specified below as required by FAR 52.212-4 in the Federal Supply Schedule contract. Full text of this clause can be found on the web at URL: <http://farsite.hill.af.mil/>. The contractor shall submit an original invoice and three copies (*or electronic invoice, if authorized*), to the address specified on the delivery orders issued against the BPA. An invoice must include:

- a. Name and address of the Contractor
- b. Invoice date
- c. Contract number, contract line item number and, if applicable, the order number
- d. Description, quantity, unit of measure, unit price and extended price of the items delivered
- e. Shipping number and date of shipment, including the bill of lading number and weight of shipment if shipped on Government bill of lading
- f. Terms of any prompt payment discount offered
- g. Name and address of official to whom payment is to be sent
- h. Name, title, and phone number of the person to be notified in event of defective invoice

Invoices will be handled in accordance with the Prompt Payment Act (31 U.S.C. 3903) and Office of Management and Budget (OMB) Circular A-125. Prompt Payment Contractors are encouraged to assign an identification number to each invoice.

2. **Fast Payment Procedure.** The provisions of FAR 52.213-1 FAST PAYMENT PROCEDURE (*FEB 1998*) are incorporated in this BPA by reference and pertain to Credit Card purchases or other applicable order deliveries. Fast Payment procedures may be used when the conditions of FAR 13.402 are met and the delivery order authorizes Fast Payment. Full text of this clause can be found on the web at URL: <http://farsite.hill.af.mil/>.

3. **Precedence.** The terms and conditions included in this BPA apply to all purchases made pursuant to it. In the event of an inconsistency between the provisions of the BPA and the Contractor's invoice, the provisions of the BPA will take precedence.

4. Fees and Payments.

4.1 **GSA Industrial Funding Fee.** The unit prices include a markup to account for the GSA fee. The contractor shall be responsible for all required filings to GSA and for payment of this fee in accordance with applicable GSA instructions.

4.2. **Acquisition, Contracting, and Technical (ACT) Fee.** The cost of awarding, administering and managing this BPA is included in the prices charged to ordering activities. The ACT fee is 2%. Remittance of the ACT fee shall be made on a calendar quarterly basis (i.e. January – March, April –

June, July – September, and October – December) or as otherwise requested by the Software Product Manager (SPM) and is due thirty (30) days following approval of the report for the completed reporting period. ACT fees that have not been paid within the prescribed thirty (30) days, shall be considered a debt to the United States Government under the terms of FAR 32.6. The Government may exercise all its rights under the contract, including withholding or setting off payments and interest on the debt (see contract FAR clause 52.232-17, interest). Failure of the Contractor to pay the ACT Fee in a timely manner may result in termination of the BPA.

4.3 Fee Distribution. The Air Force, Army, DISA and Navy are participating in a fee-sharing program. The contractor shall collect the 2% ACT fee and distribute in accordance with the following procedures. Fee sharing shall be determined by the End User Agency or Service identified in the monthly Report of Sales. This field shall be notated Air Force, Army, DISA, Navy or DOD as appropriate. Do not issue fee checks until written approval is received for the Report of Sales.

4.3.1 ALL SALES:

The 2% ACT fee is split equally between the DoD Component whose customer places the order and the DoD Component that manages the ESI agreement. In other words, any Air Force order against an ESI agreement managed by the Navy results in a 1% portion of the 2% fee being returned to the Air Force acquisition organization (listed under Air Force Sales). The Navy will retain the entire 2% fee under orders issued for Navy activities or those activities that do not collect a fee under the ESI agreements managed by the Navy. The contractor is responsible for distributing the ACT fee to all applicable Services in accordance with the instructions herein. The amount of ACT Fee due the FMO shall be calculated at 1% for Army sales, 1% for Air Force sales, 1% for DISA sales and 2% for all other sales.

Remit ACT Fee to the Financial Management Office (FMO) by corporate or cashier's check made payable to "Treasurer of the United States". No transmittal letter is required with submission of Navy fee checks.

Checks must include the following information to ensure proper crediting of the payment:
BPA N00104-04-A-ZF19
DoD Digital Systems Group, Inc. Enterprise Software Agreement
ACT Fee

If using overnight or express mail, send check to:
SPAWAR Systems Center Charleston
Attn: Elizabeth Vonasek
Norfolk Office
Code 645.2, Bldg. V53
9456 Fourth Avenue
Norfolk, VA 23511-2130

If using regular mail, send check to:
SPAWAR Systems Center Charleston
Attn: Elizabeth Vonasek
Norfolk Office
Code 645.2, Bldg V53
P.O. Box 1376
Norfolk, VA 23501-1376

Email a copy of the FMO check to: Linda.Greenwade@navy.mil or

Mail to: DON IT Umbrella Program Management Office
SPAWAR Systems Center, San Diego
Attn: Linda Greenwade, Code 2829
53560 Hull Street
San Diego, CA 92152-5001

4.3.2 ARMY SALES:

The amount of ACT Fee due the Program Executive Office (PEO) Enterprise Information Systems (EIS) shall be calculated at 1% of all Army sales.

Remit ACT Fee to PEO EIS by corporate or cashier's check made payable to "Treasurer of the United States" notated with the following information:
BPA N00104-04-A-ZF19
SCP Fee Reimbursement

***Checks must be accompanied by a transmittal letter (sample enclosed) to ensure proper crediting of the payment.

Send check and transmittal letter to:
Program Executive Office (PEO) Enterprise Information Systems (EIS)
Assistant Program Manager (APM), Army Small Computer Program
Attn: SFAE-PS-EI-SCP (Attn: Financial Support Group)
Fort Monmouth, NJ 07703-5605

Email a copy of the check and letter to: AMSEL-dsa-scp-CR@mail1.monmouth.army.mil

4.3.3 AIR FORCE SALES:

The amount of ACT Fee due DFAS Pensacola shall be calculated at 1% of all Air Force sales.

Remit ACT Fee to DFAS Pensacola by corporate or cashier's check made payable to "Treasurer of the United States" notated with the following information:
BPA N00104-04-A-ZF19
ESI-SW Fee Sharing

***Checks must be accompanied by a transmittal letter (sample enclosed) that cites the applicable accounting data to ensure proper crediting of the payment.

Send check and transmittal letter to:
to:

DFAS OPLOC/PE
Building 603-2, Code FDA-SSG
130 West Avenue, Suite A
Pensacola, FL 32508-5120

FAX or mail a copy of the check and letter

HQ SSG/AQPP
Financial Management
501 East Moore Drive
MAFB-Gunter Annex, AL 36114-3004
FAX: (334) 416-5796

4.3.4 DISA SALES

The amount of ACT Fee due DFAS Indianapolis shall be calculated at 1% of all DISA sales.

Remit ACT Fee to DFAS Pensacola by corporate or cashier's check made payable to "Treasurer of the United States" notated with the following information:
BPA N00104-04-A-ZF19
ESI-SW Fee Sharing

***Checks must be accompanied by a transmittal letter (sample enclosed) that cites the applicable accounting data to ensure proper crediting of the payment.

Send check and transmittal letter to:
 DFAS/ADOFA/COIN
 8899 E. 56th Street
 Indianapolis, IN 46249-1500

Mail a copy of the check and transmittal letter to:
 Defense Information Systems Agency
 Attn: Dawn Lawson, Code COGB
 Falls Church, VA 22041-2717

Or send via FAX or email to:
 FAX #: (703) 681-2782
 Email: lawsond@ncr.disa.mil

FEE SHARING SUMMARY

	Navy & DoD Remit to: FMO (SPAWAR)	Applicable Component Remit to: (See specific component sales information contained herein)	Total ACT Fee
Fee Applicable to: Navy, & Other DoD Sales (DON, DoD)	2%	0%	= 2%
Fee Applicable to: Army Sales (DOA)	1%	1%	= 2%
Fee Applicable to: Air Force Sales (DOAF)	1%	1%	= 2%
Fee Applicable to: DISA Sales (DISA)	1%	1%	= 2%

NOTE: There is a potential change to the disbursement of the ACT fee that will add an additional service or services to the existing fee sharing participants. While the basic procedures will remain unchanged, contractors will be required to remit a portion of the ACT fee to any additional participants in the program that may be named in subsequent modifications to the BPA. Such changes will be made by the contractors at no cost to the Government or change in BPA price.

E. BPA MANAGEMENT AND OVERSIGHT

1. The Contractor must provide centralized administration, in the form of a Program Manager, in support of all work performed under this BPA. The Program Manager, at a minimum, is required to participate in periodic program management reviews (which may require travel to a Government named site). Additional functions would include customer service, periodic program management reviews, invoicing, payment and submission of monthly and quarterly reports. The Contractor shall ensure that all sales personnel are aware of the Enterprise Software Initiative Program and enforce the policy that this BPA is the preferred DoD procurement vehicle for the products within.

2. **Report of Sales.** Consistent with Clause C.22 of the GSA Schedule, a Report of Sales as described herein shall accompany the remittance of the ACT Fees to enable verification of the fee amounts rendered. Submission of the Report of Sales shall be submitted to the SPM and the PCO in electronic format within fifteen (15) days following the completion of the monthly reporting period, or as otherwise requested by the SPM. The report shall be submitted in the standard format shown in Attachment C. Negative reports are required. The SPM or PCO shall provide written approval of

each report. At the end of each calendar quarter, the written approval provided to the contractor will be accompanied by a request to remit ACT fees. The SPM or PCO will provide copies of the Report of Sales on a quarterly basis to the services participating in fee sharing. If the BPA contains services current ACT fee paid by Delivery Order and total ACT fees paid will be included in the report.

3. **Records.** The Contractor shall maintain archival copies of all orders for the life of the BPA. Copies shall be made available to the Government upon request.

4. **Program Management Reviews (PMR).** The Contractor shall participate in regular reviews of the progress of the BPA. Reviews shall be held at least twice yearly as scheduled by the Software Product Manager. During these reviews the Contractor shall report on among other things, status of BPA sales, marketing and any outstanding issues concerning the BPA. PMR agenda and presentation format shall be provided prior to each PMR. Travel expenses are the responsibility of the contractor.

5. **Marketing.** The Contractor shall dedicate reasonable resources to this effort and work to market and advertise this agreement. Desired actions include: advertising resultant vehicles on the contractor's Internet site and advertising the agreement at relevant trade shows, participation in agency sponsored events and news media geared to Government/DoD IT people.

6. **Virtual IT Marketplace.** ESI and GSA have partnered to create the Virtual IT Marketplace (VITM). The VITM interfaces with GSA Advantage and provides ESI agreement product information to the DoD customer. The Contractor shall follow GSA procedures for electronic loading of ESI contract information to the VITM and will be responsible to ensure that the VITM data is maintained in a current status. The VITM may be accessed at <http://www.VITM.gov>.

7. **Enterprise Integration Toolkit.** The Enterprise Integration Toolkit is a program developed by the Assistant Deputy Under Secretary of Defense (L&MR) Logistics Systems Management (LSM) to assist DoD Program Managers, Contracting Officers and members of the Integrated Project Team (IPT) in the acquisition and implementation of Commercial Off The Shelf (COTS) Business Systems software.

The Toolkit provides guidance, processes and tools to define program needs and determine how to best meet these needs through an external acquisition via a three-tiered Roadmap to guide the entire life-cycle from problem definition to solution roll-out. It provides a collection of best practice tools adopted from the commercial industry, and includes more than 100 best practice templates, guides, checklists, and samples.

Because the Toolkit is not vendor specific and may be applied across a variety of COTS software package implementations, including this BPA, the Contractor, shall be familiar with the Toolkit and include as part of the Marketing effort required above, a description of the Toolkit for their customers, and a link to the Enterprise Toolkit web site at: <http://deskbook.dau.mil/software/gen/home.html>.

F. Standards.

1. **YEAR 2000 Compliance.** All products provided under this BPA shall be Y2K compliant as defined in FAR 39.002.

2. **JTA Compliance.** All products offered shall comply with the appropriate Publicly Available Standards (PAS) (e.g., TIA, EIA, ANSI, IEEE, ISO) and the applicable DoD information technology

standards contained in the Joint Technical Architecture (JTA). More information on this standard can be found at <http://jta.disa.mil>.

- 3. Section 508 of the Rehabilitation Act Compliance.** All products provided under this BPA must meet the applicable accessibility standards at 36 CFR Part 1194 as required by FAR Case 1999-607. General information regarding the Section 508 Act can be found at the web site www.section508.gov. If applicable, Section 508 compliance information on the supplies and services in this agreement are available at the following:

Digital Systems Group, Inc.
Attn: Section 508 Compliance
650 Louis Drive, Suite 110
Warminster, PA 18974

ATTACHMENT A

SPECIAL TERMS APPLICABLE TO THIS BPA

1.0 BPA Discount Structure

1.1 Software Products (SIN 132-33)

1.1.1 Individual Transaction Discount Structure. A Transaction Discount shall first be applied to the cumulative GSA software price placed under a single Delivery Order in accordance with the discount level as defined in Attachment B. The resulting price shall be the **Net Price**. Orders for non-software products and services, and open market items and products not offered through the GSA Contract are not counted toward the Transaction Discount amount for purposes of establishing the Software discount levels in Attachment B. Attachment B provides the BPA discount structure and volume levels for Software product orders under this BPA.

1.1.2 Aggregate Total Order Discount Structure. An Aggregate Total Order Discount shall then be applied to the Net Price in accordance with the discount level as defined in Attachment B. The Aggregate Total Order Discount will only be applied to current government fiscal year licensing based on the previous fiscal year's cumulative license amount. Orders for non-software products and services, and open market items and products not offered through the GSA Contract are not counted toward the Aggregate Total Order amount for purposes of establishing the Software discount levels in Attachment B. Attachment B provides the BPA discount structure and volume levels for Software product orders under this BPA.

1.1.3 Discounting Not Retroactive. BPA discounting in 1.1.1 and 1.1.2 above will not apply retroactively to DoD orders placed prior to establishment of this BPA.

1.2 Software Maintenance (SIN 132-34)

1.2.1 Digital Systems Group, Inc. software maintenance services under this BPA are offered at the standard GSA Contract rates in effect at the time an order is placed. Subject to paragraph 2.0 below, special discounting may be negotiated based on circumstances of individual orders. At no time shall prices be greater than the standard GSA price.

1.2.2 In addition to this Agreement, Monthly Maintenance Fees for Software orders placed under this BPA will be in accordance with the GSA Schedule.

1.3 Training Services (SIN 132-50)

1.3.1 Digital Systems Group, Inc. training services under this BPA are offered at the standard GSA Contract rates in effect at the time an order is placed. Subject to paragraph 2.0 below, special discounting may be negotiated based on circumstances of individual orders. At no time shall prices be greater than the standard GSA price.

1.4 Professional Services (SIN 132-51)

1.4.1 Digital Systems Group, Inc. professional services under this BPA are offered at the standard GSA Contract rates in effect at the time an order is placed. Subject to paragraph 2.0 below, special discounting may be negotiated based on circumstances of individual orders. At no time shall prices be greater than the standard GSA price.

2.0 Special Discounts and Special Circumstances

Digital Systems Group, Inc. may negotiate special discounts and terms for specific orders placed under this BPA based on extraordinary volume or other special circumstances.

ATTACHMENT B

BPA DISCOUNT SCHEDULE

Software Products (SIN 132-33)

Transaction Discount	
<i>Total GSA Software Price</i>	<i>Transaction Discount</i>
\$0 to \$100,000	3%
\$100,001 to \$500,000	5%
\$500,001 to \$1,500,000	8%
\$1,500,001 to \$3,000,000	10%
\$3,000,001 to \$5,000,000	12%
Over \$5,000,000	15%

Aggregate Total Order Discount	
<i>Previous Fiscal Year's Software License Order Amount</i>	<i>Current Fiscal Year Discount</i>
\$0 to \$500,000	0%
\$500,001 to \$3,000,000	3%
\$3,000,001 to \$6,000,000	5%
Over \$6,000,000	10%

Software Maintenance (SIN 132-34) – Standard GSA contract rates apply to this item.

Training Services (SIN 132-50) – Standard GSA contract rates apply to this item.

Professional Services (SIN 132-51) – Standard GSA contract rates apply to this item.