

Memorandum



Date: April 16, 2013

To: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor

Subject: Ratification of Acceptance and Execution of Other Transaction Agreement #HSTS04-12-H-CT1081 with the Transportation Security Administration for funding enhancements of MIA's South Terminal Checked Baggage Inspection System

Agenda Item No. 3(B)(2)

Resolution No. R-284-13

RECOMMENDATION

It is recommended that the Board of County Commissioners (Board) approve the attached resolution ratifying the actions of the Mayor's designee, pursuant to provisions of the Aviation Department (MDAD) Expedite Ordinance No. 95-64, codified as Section 2-285 (6) of the Miami-Dade County Code, in accepting and executing Other Transaction Agreement (OTA) #HSTS04-12-H-CT1081 with the Transportation Security Administration (TSA) providing funding of \$2,991,299.00 for enhancements to Miami International Airport's (MIA) South Terminal Checked Baggage Inspection System (CBIS).

SCOPE

Miami International Airport is located within Chairwoman Rebeca Sosa's District Six; however, the impact of this project is Countywide in nature as MIA is a regional asset.

DELEGATED AUTHORITY

Approval of this item authorizes the Mayor or designee to execute any further modifications or amendments to this agreement.

FISCAL IMPACT

This agreement represents TSA's obligation to fund 100% of costs up to \$2,991,299.00 for the design, engineering, construction and testing of upgrades to the MIA's South Terminal CBIS.

PROJECT MONITOR

The South Terminal CBIS Enhancement Project is managed by MDAD Senior Cost Manager/South Terminal Project Controls Manager Debra J. Shore.

BACKGROUND

The South Terminal inline CBIS was completed in 2007 prior to publication of TSA design guidelines. Since then, TSA has identified best practices resulting in its Planning Guidelines and Design Standards (PGDS) for inline baggage screening systems. These guidelines are regularly updated as additional best practices are identified. In order for the TSA and the airport users to recognize the benefits of these best practices, TSA has offered MDAD \$2,991,299 to enhance MIA's South Terminal inline CBIS in accordance with TSA's PDGS Version 4.1.

The scope of the project includes modifications to checked baggage resolution area, system reporting capabilities, and baggage conveyor components that will improve the security and performance of the existing CBIS.

Jack Osterholt, Deputy Mayor



MEMORANDUM
(Revised)

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: April 16, 2013

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 3(B)(2)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 3(B)(2)
4-16-13

RESOLUTION NO. R-284-13

RESOLUTION RATIFYING ACTION OF THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE, PURSUANT TO PROVISIONS OF ORDINANCE NO. 95-64, IN ACCEPTING AND EXECUTING AN OTHER TRANSACTION AGREEMENT #HSTS04-12-H-CT1081 WITH THE TRANSPORTATION SECURITY ADMINISTRATION, PROVIDING FOR REIMBURSEMENT OF \$2,991,299.00 FOR THE ENHANCEMENT OF THE SOUTH TERMINAL CHECKED BAGGAGE INSPECTION SYSTEM AT MIAMI INTERNATIONAL AIRPORT

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference; and

WHEREAS, the County Mayor or County Mayor's designee has accepted and executed an Other Transaction Agreement #HSTS04-12-H-CT1081 with the Transportation Security Administration in accordance with the provisions of Ordinance No. 95-64; and

WHEREAS, the Other Transaction Agreement provides funding by the Transportation Security Administration in the amount of \$2,991,299.00 for the enhancement of the South Terminal Checked Baggage Inspection System at Miami International Airport, all as more particularly set forth in the accompanying memorandum from the Mayor,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby approves and ratifies the actions of the County Mayor or County Mayor's designee, pursuant to the provisions of Ordinance No. 95-64, in accepting and executing an Other Transaction Agreement, providing funding by the Transportation Security Administration in the amount of \$2,991,299.00 for the enhancement of the South Terminal Checked Baggage Inspection System

at Miami International Airport, all as more particularly set forth in the accompanying memorandum from the County Mayor, to execute any subsequent supplemental agreements thereto, with subsequent ratification by this Board.

The foregoing resolution was offered by Commissioner **Jose "Pepe" Diaz**,

Who moved its adoption. The motion was seconded by Commissioner **Sally A. Heyman**

and upon being put to a vote, the vote was as follows:

	Rebeca Sosa, Chairwoman	aye
	Lynda Bell, Vice Chair	aye
Bruno A. Barreiro	aye	Esteban L. Bovo, Jr. aye
Jose "Pepe" Diaz	aye	Audrey M. Edmonson aye
Sally A. Heyman	aye	Barbara J. Jordan aye
Jean Monestime	aye	Dennis C. Moss aye
Sen. Javier D. Souto	absent	Xavier L. Suarez aye
Juan C. Zapata	aye	

The Chairperson thereupon declared the resolution duly passed and adopted this 16th day of April, 2013. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: **Christopher Agrippa**
Deputy Clerk



Approved by County Attorney
to form and legal sufficiency.

David M. Murray

OTHER TRANSACTION AGREEMENT

BETWEEN

**DEPARTMENT OF HOMELAND SECURITY
TRANSPORTATION SECURITY ADMINISTRATION**

AND

**MIAMI-DADE COUNTY
MIAMI-DADE AVIATION DEPARTMENT**

RELATING TO

**MIAMI INTERNATIONAL AIRPORT
Checked Baggage Screening Project**

**Negotiated by the TSA pursuant to
Aviation and Transportation Security Act, Pub. L. 107-71, 115 Stat. 597
49 U.S.C. §114(m)(1) and 106(l)(6) and**

ARTICLE I – PARTIES

The parties to this Other Transaction Agreement (OTA or Agreement) are the U.S. Department of Homeland Security Transportation Security Administration (TSA) and MIAMI DADE AVIATION DEPARTMENT (MDAD) relating to the MIAMI INTERNATIONAL AIRPORT (MIA or Airport). The TSA and MDAD agree to cooperate in good faith and to perform their respective obligations in executing the purpose of this Agreement.

ARTICLE II – LEGAL AUTHORITY

This Agreement is entered into under the authority of the Aviation and Transportation Security Act, Pub. L. 107-71, 115 Stat. 597, specifically 49 U.S.C. § 114(m)(1) and 106(D)(6), which authorizes other transaction agreements.

ARTICLE III – PURPOSE AND SCOPE

The purpose of this Agreement is to set forth the terms and conditions, as well as establish the respective cost-sharing obligations of the TSA and the MDAD with respect to the design, engineering and construction-related services to provide for the TSA in-line Checked Baggage Inspection System (CBIS) solution consisting of at the MIAMI INTERNATIONAL AIRPORT Airport Terminal (Project) in accordance with the design submitted by the MDAD and reviewed by TSA pursuant to the TSA Planning Design Guidelines and Design Standards (TSA PGDS) Version 4.1 found at:

http://www.isa.gov/research/checked_baggage_material.htm

This Project undertaken by the MDAD involves the retrofit of one checked baggage resolution area (CBRA). The project will upgrade the South Terminal CBRA to incorporate the latest TSA PGDS standards. Areas will be upgraded using terminal modifications that incorporate the required changes to baggage conveyor components, mechanical, plumbing, electrical, structural, and telecommunications infrastructure to improve the security and performance of the existing checked baggage inspection system (CBIS). The objective of the Project is to upgrade these areas to the latest TSA PGDS standards. Further detail for the necessary modifications is detailed in Appendix D of this document.

ARTICLE IV – COST SHARING AND OTHER RESPONSIBILITIES

1. **Capital Costs:** The estimated cost of the Project (Total Project Cost) relates to the activities to modify the airport terminal building infrastructure and the BHS to support the installation and operation of the EDS and ETD equipment. It does not include the costs of acquisition, delivery, or installation of the EDS and Electronic Trace Detection (ETD) equipment itself. TSA will be solely responsible for the acquisition, delivery, installation, and testing of the EDS and ETD equipment at the designated Project location(s). All work performed by the MDAD pursuant to this Agreement shall be accomplished in accordance with TSA PGDS.

2. The cost of the security-related portion of the Project has been determined to be **\$2,991,299** (CBIS Project Costs). TSA agrees to reimburse the MDAD for (100%) of the allowable, allocable and reasonable CBIS Project Costs, including design and construction management in addition to construction costs but not to exceed a total reimbursement of **\$2,991,299** (TSA Reimbursement Limit). TSA shall reimburse the MDAD for every dollar submitted by the MDAD for reimbursement of allowable, allocable and reasonable CBIS Project Costs up to the TSA Reimbursement Limit of **\$2,991,299**.

3. TSA will determine allowable and allocable costs in accordance with the OMB Circular A-87 "Cost Principles for State, Local and Indian Tribal Governments" codified at 2 C.F.R. Part 225 (together with Appendices A - D) and Appendix F of the TSA PGDS. TSA will reimburse the MDAD on an actual expense basis supported by one or more invoices submitted by the MDAD in accordance with Article X "Payment." The parties understand and agree that all Project costs in excess of the TSA Reimbursement Limit of **\$2,991,299**, as well as any costs that are inconsistent with OMB A-87 and the guidance set forth in the TSA PGDS, shall be borne solely by the MDAD unless otherwise agreed by the TSA in a written modification in accordance with this Article IV and Article XIII "Changes and/or Modifications." The MDAD will refund TSA sufficient funds for any CBIS Project Costs that are not deemed allowable, allocable, or reasonable during the TSA invoice review process.

4. All costs requested for reimbursement must satisfy the requirements of both TSA's PDGS and OMB Circular A-87. In general, the costs for which TSA will provide reimbursement under this Agreement are limited to those costs associated with the CBIS area, the Checked Baggage Resolution Area (CBRA), and EDS network equipment room (if applicable to the CBIS Project) as defined in TSA's PDGS. Appendix F of the TSA's PDGS provides guidance regarding the reimbursable costs for TSA CBIS Projects.

- A. Examples of costs commonly considered reimbursable under this Agreement include:
- Soft cost allowances consisting of Design Fees, Project Management, Construction Management, Escalation, Design Contingency and Construction Contingency
 - Construction Costs:
 - Demolition (airport building or BHS components related to the CBIS area.)
 - BHS infrastructure upgrades, platforms, catwalks located within the CBIS screening area.
 - BHS: The BHS portion located within the CBIS screening area, including redesign and upgrading of conveyors to support the improvement of the security and functionality of the CBIS.
 - Conveyor redesign and upgrade within the CBIS screening area.
 - Modification of the OSR Room, CBRA, and EDS network equipment room.
 - Improvements to the Acoustical treatment in the CBRA area.
 - Improvements to the Heating, Ventilation, Air Conditioning (HVAC) to maintain equipment and employee environmental requirements for CBIS, CBRA and EDS network equipment room.
 - Electrical and communications infrastructure (cabling, control panels) and basic lighting fixtures for the CBIS and CBRA.
 - Telephone systems/pager systems for TSA CBIS screening area.

- Basic architectural finishes.

Identification of cost classifications herein does not create any obligation on TSA's part beyond the requirements found in OMB Circular A-87 and TSA's PDGS.

B. Examples of costs not considered reimbursable include, but are not limited to:

- Exterior Building Shell.
- The BHS portion before the EDS screening matrix area.
- The BHS portion after the EDS screening matrix area.
- Baggage make-up carousels or outbound sortation systems.
- Maintenance, repair parts or spare parts (other than spare parts which are initially provided by the Original Equipment Manufacturer during the installation of new equipment) for airport terminal improvements including the baggage handling conveyor components installed under this Project.
- Manual encoding consoles or stations.
- Employee break rooms, administrative office space and restrooms not intended for the sole use of TSA staff.
- Architecturally pleasing enhancements.
- Extended warranties beyond one (1) year.

5. Change Orders shall not be considered authorization to exceed the TSA Reimbursement Limit unless the MDAD submits to TSA prior written notification of the expected impact to the CBIS Project Cost and the corresponding impact to the TSA Reimbursement Limit, and the TSA agrees in writing to the proposed Change Order, including the proposed increase to the CBIS Project Cost and the TSA Reimbursement Limit. The MDAD may not use the TSA contingency funds provided for the Project, as identified by TSA as part of this Agreement, without prior TSA written approval.

ARTICLE V - PROJECT RESPONSIBILITIES

The primary Project responsibilities of the TSA and the MDAD are outlined below. In addition to primary Project Responsibilities, specific technical responsibilities for the two parties are contained in Appendix A, "TSA Acceptance Test Requirements", attached hereto and incorporated by reference into this Agreement. The Project will be overseen by the MDAD, except for those portions of the Project that are TSA's sole responsibility as set forth in this Agreement.

A. TSA Responsibilities

1. Review and concur with the CBIS Project design, plans, and specifications at each design phase for the CBIS installation based upon the recommendations and guidelines in the TSA PGDS.
2. Provide the TSA's PGDS as well as the EDS equipment specification upon request from
3. Provide EDS Original Equipment Manufacturer Technical Support Advisory Services to the MDAD regarding integration and networking of the EDS units into the BHS.

4. Provide the CBIS System Specific Test Plan (SSTP) to MDAD following an EDS machine commissioning, coordination and test planning meeting. See Appendix A for further specifics relating to the TSA testing portion of the Project.
5. Establish and conduct the Integrated Site Acceptance Testing (iSAT) for the in-line CBIS performance capabilities.
6. Review and approve iSAT results before the in-line CBIS is certified as ready for operational use.
7. Provide training for Transportation Security Officer personnel on the EDS equipment.
8. Review and consider requested changes submitted by MDAD to the CBIS design. Any changes in scope or associated costs will be in accordance with Article XIII "Changes and/or Modifications".
9. Coordinate removal of excess TSA baggage screening equipment resulting from the CBIS project, after the post-iSAT run-in period is completed and all CBIS testing deficiencies have been corrected.
10. Provide maintenance, repair, and refurbishment to all TSA EDS and ETD equipment throughout its life cycle at no cost to MDAD.

B. MDAD Responsibilities

1. Except for the responsibilities of the TSA, as outlined above, the CBIS Project will be managed and overseen by MDAD. MDAD, acting through such contractors as it may engage, will provide the engineering and design services, as well as the associated construction and baggage handling system contractors, necessary for successful completion of the Project. MDAD will provide oversight of such contractor(s) to ensure the Project conforms to the TSA endorsed design and is completed within the prescribed costs and schedule identified and incorporated herein as Appendix B.
2. CBIS designs should be OSHA compliant; adhere to the applicable EDS and ETD installation guide specifications; and should comply with all applicable Federal, State, and local building regulations. Provisions will be made in the CBIS design that will allow TSA and its contractors full ingress to and egress from the CBIS area for the installation, operation, testing, maintenance, and repair of the EDS and ETD equipment.
3. Obtain all necessary construction licenses, insurance permits and approvals.
4. Facilitate the future replacement of EDS by providing a clear path for rigging and EDS installation.
5. Prior to TSA iSAT Testing, it shall be MDAD's responsibility to exercise due diligence to protect and insure the EDS equipment from damage due to ongoing construction or weather.
6. Perform and bear all cost of the operation, maintenance and repairs for the airport terminal installed property such as the baggage handling conveyor system, including the conveyors in the baggage screening matrix, heating, air conditioning, electrical and mechanical infrastructure in support of this Project.
7. Submit monthly milestone and project progress status reports by the 10th of each month to the TSA Regional Deployment Manager (RDM), TSA Site Lead Contractor and TSA Contracting Officer. Specific requirements for the content of the monthly project status report are identified in Appendix C.

C. Operation and Maintenance Costs

It is understood and agreed that the EDS and ETD security screening equipment are and will at all times remain the property of the TSA. TSA will maintain, repair, and refurbish the EDS and ETD units at no cost to the MDAD.

Except for the EDS and ETD security screening equipment owned by the TSA and separately provided for use at the Airport, the MDAD shall own and have title to all airport terminal building improvements made in accordance with this Agreement such as heating, ventilation, air conditioning, electrical and mechanical infrastructure, baggage handling conveyor systems and controls, or other assets which are acquired and installed under this Agreement in support of this Project. It will remain the responsibility of the MDAD, its contractors or lessees acting through such agents as it may use, to maintain, repair and or replace such airport property to sustain the operational environment of the EDS and ETD security screening equipment. Title to all airport terminal building improvements that were purchased or reimbursed using Federal funds for this Project, shall become the property of the MDAD, whether purchased with TSA, Airport or MDAD funds.

D. Deliverables

Specific testing related deliverables are outlined in Appendix A. Appendix C identifies other required deliverables to be submitted by the MDAD.

ARTICLE VI - EFFECTIVE DATE AND TERM

Project completion is currently estimated to be on or about September 30th, 2015. The term of this Agreement shall be from the date of execution of the Agreement until September 30th, 2015, unless earlier terminated by the parties pursuant to Article XV "Termination" as provided herein or extended by mutual agreement pursuant to Article XIII "Changes and/or Modifications", in order to allow the MDAD time to submit a final invoice, close out the Project, and address any other issues. The MDAD agrees to work with TSA to close this OTA within six (6) months of completion of the Project and successful iSAT acceptance testing of the EDS system.

The MDAD will establish and provide same to the TSA Regional Deployment Manager (RDM) and TSA CO within 30 days of execution of this Agreement, Project Milestones that allow objective measurement of progress toward completion. TSA maintains the right to identify any additional Project Milestones to be tracked by the MDAD.

ARTICLE VII - ACCEPTANCE AND TESTING

TSA will deem the CBIS-related portion of the Project complete upon successful results of the TSA iSAT (Integrated Site Acceptance Test) as conducted by the TSA independent Acceptance Test Contractor and successful completion of the 30-day Operational Run-In period. TSA iSAT will evaluate the CBIS against the TSA PGDS.

Successful completion requires the correction of CBIS deficiencies identified during the TSA iSAT as documented in the Quick Look Report (QLR) and as followed up at the end of the Operational Run-In period in the Test Summary Report (TSR). TSA will release the funds retained pursuant to Article X only after the CBIS has passed the iSAT test and Operational Run-In period and the deficiencies have been corrected.

ARTICLE VIII - AUTHORIZED REPRESENTATIVES

The authorized representative for each party shall act on behalf of that party for all matters related to this Agreement. Each party's authorized representative may appoint one or more personnel to act as an authorized representative for any administrative purpose related to this Agreement, provided written notice of such appointments is made to the other party to this Agreement. The authorized representatives for the parties are as follows:

A. TSA Points of Contact:

Regional Deployment Manager/Contracting Officer Technical Representative:

John Reed
 Transportation Security Administration
 Office of Security Technology, TSA-16
 TSIF Building
 1 West Post Office Road
 Washington, DC 20598-6932
 Phone: 571-227-1563
 E-Mail: john.reed1@dhs.gov

Contracting Officer:
 Matthew Ashurst
 Transportation Security Administration
 701 S. 12th Street
 Arlington, VA 20598
 Phone: 571.227.5376
 Email: matthew.ashurst@dhs.gov

Only the TSA CO shall have the authority to bind the Federal government with respect to funding and liability. The TSA Regional Deployment Manager (RDM) is also designated as the TSA Contracting Officer Technical Representative (COTR) and is responsible for the technical administration of this Agreement and technical liaison with the MDAD. The TSA RDM/COTR is not authorized to change the scope of work, to make any commitment or otherwise obligate the TSA, or authorize any changes which affect the liability of the TSA such as amount or level of funding.

The MDAD must notify the TSA CO and RDM/COTR in event that any TSA employee or TSA agent takes any action that may be interpreted by the MDAD as direction which consequently increases the CBIS Project Costs or the TSA Funding Limit, and may cause the MDAD to seek reimbursement from TSA beyond the TSA's Reimbursement Limit as defined in this Agreement.

B. MDAD Points of Contact:

The MDAD's Point of Contact for all correspondence is:

Lauren Stover
Assistant Aviation Director
Miami-Dade Aviation Department
P.O. Box 025504
Miami, Florida 33102-5504
Phone: 305-876-7016 E-Mail: lstover@miami-airport.com

MDAD Technical Representative:

Debra J. Shore
Senior Aviation Cost Manager/South Terminal Projects Controls Manager
Miami-Dade Aviation Department
P.O. Box 025504
Miami, Florida 33102-5504
Phone: 305-869-4585
E-Mail: dshore@miami-airport.com

ARTICLE IX – FUNDING AND LIMITATIONS

TSA will provide funding to the MDAD in an amount not to exceed \$2,991,299 (TSA Reimbursement Limit). Funds in the amount of \$2,991,299 are hereby obligated and made available for payment for performance of this Agreement. Expenses incurred in executing the work identified herein are chargeable to:

PR: 2112202CT1081

Accounting Line:

5AV112B010D2012SWE044GE013723006200622CTO/5903001112010000/251B/TSA
DIRECT/DEF. TASK

In the event of termination or expiration of this Agreement, any TSA funds that have not been spent or incurred for allowable expenses prior to the date of termination and are not reasonably necessary to cover allowable and allocable costs as of the date of termination will be returned and/or de-obligated from this Agreement. TSA's liability to make payments to the MDAD is limited to the funds obligated and available for payment hereunder, including written modifications to this Agreement.

Under no circumstances will TSA be responsible to reimburse the MDAD for profit or the general costs of government. The MDAD may recover the allowable direct costs of MDAD personnel performing work necessary under this Agreement, as well as the allowable and allocable costs of the contractors hired by the MDAD to perform the necessary work under this Agreement. Profit and overhead costs for the MDAD's contractors performing work on the

Project are allowable costs. Submission of a cost allocation plan is required to address any indirect costs, to include MDAD employees, who work on multiple activities that will result in a request for reimbursement under this Agreement. TSA will not be responsible for costs incurred by the MDAD, its contractors or agents to perform work not in compliance with the TSA requirements in this Agreement. The TSA CO has the right to recoup any payments made to the MDAD if the TSA CO determines that the invoices exceed the actual costs incurred, or if the work substantially deviates from the TSA approved CBIS design requirements for the Project pursuant to this Agreement.

TSA will reimburse only for allowable, allocable and reasonable costs in accordance with the OMB Circular No. A-87 in effect on the Effective Date of the Agreement (codified at 2 C.F.R. Part 225) and the allowable/not-allowable costs identified in Appendix F of TSA's PGDS.

ARTICLE X – PAYMENT

The United States Coast Guard Center performs the payment function on behalf of the TSA. For purposes of submission to the Coast Guard Finance Center, the MDAD must submit a completed Summary Invoice. Central Contractor Registration is mandatory for invoice payment; for information regarding the Central Contractor Registration, please refer to <http://www.ccr.gov>

Invoices for reimbursable expenses will be submitted every thirty (30) days, as expenses are incurred. For periods in which the MDAD has not incurred a reimbursable expense, an invoice is not required. Expenses are considered to accrue on the date that the MDAD is invoiced from a sub-contractor, supplier, or provider of services.

Reimbursement by TSA is conditioned upon submission to TSA of an invoice identifying the Project Costs that have been incurred and paid by the MDAD. TSA intends to make payment to the MDAD within 30 days of receipt of each properly prepared invoice for reimbursement of incurred costs.

Ten percent (10%) of all submitted costs identified by TSA as allowable, allocable and reasonable shall be retained by TSA until completion of the Project, and shall only be reimbursed to MDAD upon successful completion of all of its obligations under this Agreement, including, but not limited to, successful completion of all testing as required in Article VII of this Agreement.

In the event that an invoice for reimbursable expenses is not received by the TSA within a twelve (12) month period, the TSA reserves the right to terminate the Agreement per Article XV "Termination."

The TSA reimbursement process consists of two steps.

Step I – Summary Invoice Submittal to the U.S. Coast Guard Finance Center for Payment, which at a minimum should contain the following information:

- (1) Agreement Number HSTS04-12-H-CT1081
- (2) Invoice Number and Invoice Date
- (3) Complete Business Name and Remittance Address

- (4) Point of Contact with address, telephone, fax and e-mail address
- (5) Tax Identification Number and DUN's Number
- (6) Dollar Amount of Reimbursement requested
- (7) Signature of MDAD authorized representative and the following certification language: *"This is to certify that the services set forth herein were performed during the period stated and that the incurred costs billed were actually expended for the Project."*

The Summary Invoice may be submitted by standard email or by electronic transmission to the following address(s):

Mailing Address: TSA Commercial Invoices
 USCG Finance Center
 P.O. Box 4111
 Chesapeake, VA 23327

Email: FIN-SMB-TSAINVOICES@uscg.mil

**Step 2 – Submission of Summary Invoice and Supporting Documentation
 Submittal to TSA for Approval of Payment:**

The TSA CO and the TSA RDM/COTR are required to review and approve all invoices prior to payment. To aid in this review, the MDAD shall provide a copy of the Summary Invoice along with all receipts, contractor pay requests and other supporting information which specify the vendor, services provided, and products delivered as well as the appropriate identifications that the MDAD has paid these obligations. The MDAD should provide this supporting information simultaneously with Step 1 to expedite the payment process.

The Support Documentation should contain the following items:

- Summary Invoice from Step 1.
- An executive summary Project overview with the first invoice
- A summary spreadsheet providing a categorized breakdown of the amount invoiced.
- Spreadsheet detailing the invoices and amounts submitted, including individual invoice numbers, amounts and coding; grand totals; and detail on how each invoice is distributed amongst the work areas and construction divisions detailed in the "TSA Pay Request" spreadsheet.
- Signed, approved and legible copies of each individual contractor's invoice to include schedules of values statements of work.
 - Copies of contracts and change orders that provide support for the actual work being invoiced.
 - Vendor and subcontractor invoices with specific details about services provided.
 - Vendor and subcontractor information showing employees name, rates of pay, dates and hours worked.

- o Rationale for all allocations or unusual calculations or assumptions.
- o Proof of delivery of the equipment to the Project.
- o Copies of subcontractor's invoices if listed on a prime contractor's invoice as a single amount (copies of timesheets and detailed backup not required if descriptions are clear and specific).
- Proof of payment by the MDAD for each invoice in the form of copies of check/warrants, bank wire transfers, or accounting systems transactions.

The Summary Invoice and supporting documentation may be submitted by mail via CD or paper documents or electronic transmission to the below addresses. The final closeout invoice should include proof that all required deliverables have been provided.

John Reed
 Transportation Security Administration
 TSIF - S224J
 1 West Post Office Way
 Washington, D.C. 20528-6032

Phone: 571-227-1563
 Email: OSTCBD@tsa.dhs.gov

Upon completion of the review of the supporting documentation for the Summary Invoice, the TSA CO and TSA RDM/COTR will advise the Coast Guard Finance Center regarding payment of the Summary Invoice.

ARTICLE XI - AUDITS

The Federal Government, including the Comptroller General of the United States, has the right to examine or audit relevant financial records for a period not to exceed three (3) years after expiration of the terms of this Agreement. The MDAD and its contractors must maintain an established accounting system that complies with generally accepted accounting principles. Records related to disputes arising out of this Agreement shall be maintained and made available until such disputes have been resolved. As used in this provision, "records" includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form.

The MDAD shall maintain all records and other evidence sufficient to reflect costs claimed to have been incurred or anticipated to be incurred directly or indirectly in performance of this Agreement. The TSA CO or the authorized representative of the TSA CO shall have the right to examine and audit those records at any time, or from time to time. The right of examination shall include inspection at all reasonable times at the offices of the MDAD or at the offices of the MDAD's contractor(s) responsible for the Project.

The MDAD will be required to submit cost or pricing data and supporting information in connection with any invoice relating to this Agreement if requested by the TSA CO. This

Article XI shall not be construed to require the MDAD or its contractors or subcontractors to create or maintain any record that they do not maintain in the ordinary course of business pursuant to a provision of law, provided that those entities maintain records which conform to generally accepted accounting practices.

ARTICLE XII – REQUIRED FEDERAL PROCUREMENT PROVISIONS

1. Competition in the award of contracts or procurements resulting from this Project is strongly encouraged and the MDAD should promote competition to the maximum extent practicable.

2. The MDAD agrees to include in its contract(s) for this Project a provision that the Airport Terminal designs and commensurate construction are required to comply with the TSA's Planning Guidelines and Design Standards requirements for Checked Baggage Inspection Systems.

3. **Small Business/Disadvantaged Business Enterprises Participation:** Small Businesses/Disadvantaged Business Enterprises play a critical role in stimulating economic growth and creating jobs. MDAD is required to submit a report on an annual basis the amount of TSA funding provided to small business/disadvantaged business enterprise concerns utilized in the TSA Project. The annual report, due at the end of each Federal fiscal year (September 30th) and upon completion of the Project will identify the TSA funded dollars provided to the small businesses/disadvantaged business categories during the reporting period. The report shall be reported via email directly to the TSA Contracting Officer.

ARTICLE XIII – CHANGES AND/OR MODIFICATIONS

Changes and modifications to this Agreement shall be in writing and signed by the TSA CO and the duly authorized representative of the MDAD. Any modification shall be in writing, shall cite this Agreement and shall state the exact nature of the change and/or modification. No oral statement by any person shall be interpreted as modifying or otherwise affecting the terms of this Agreement. The properly signed modification shall be attached to this Agreement and thereby become a part of this Agreement.

ARTICLE XIV – DISPUTES

When possible, disputes will be resolved by informal discussion between the parties. All disputes arising under or related to this Agreement shall be resolved under this Article XIV. Disputes, as used in this Agreement, mean a written demand or written assertion by one of the parties seeking, as a matter of right, the adjustment or interpretation of Agreement terms, or other relief arising under this Agreement. The dispute shall be made in writing and signed by a duly authorized representative of the MDAD or the TSA. At a minimum, a dispute under this Agreement shall include a statement of facts, adequate supporting data, and a request for relief. In the event that the parties are unable to resolve any disagreement through good faith negotiations, the dispute will be resolved by the TSA Assistant Secretary or his or her designee. The parties agree that the TSA Assistant Secretary's decision shall be final and not subject to further judicial or administrative review and shall be enforceable and binding upon the parties, to the extent allowed by law.

ARTICLE XV – TERMINATION

In addition to any other termination rights provided by this Agreement, either party may terminate this Agreement at any time prior to its expiration date, with or without cause, and without incurring any liability or obligation to the terminated party (other than payment of amounts due and performance of obligations accrued, in each case on or prior to the termination date) by giving the other party at least thirty (30) days prior written notice of termination. Upon receipt of a notice of termination, the receiving party shall take immediate steps to stop the accrual of any additional obligations to the other party, including, but not limited to, an obligation on TSA's part to make additional payments.

In the event of termination or expiration of this Agreement, any TSA funds that have not been spent or incurred for allowable Project expenses prior to the date of termination will be returned and/or de-obligated from this Agreement.

ARTICLE XVI – CONSTRUCTION OF THE AGREEMENT

This Agreement is an "other transaction" issued under 49 U.S.C. § 106(l) and 114(m)(1) and is not a procurement contract, grant or cooperative agreement. Nothing in this Agreement shall be construed as incorporating by reference or implication any provision of Federal acquisition law or regulation. It is not intended to be, nor shall it be construed as creation of a partnership, corporation, or other business entity between the parties.

Each party acknowledges that all parties hereto participated equally in the negotiation and drafting of this Agreement and any amendments thereto, and that, accordingly, this Agreement shall not be construed more stringently against one party than against the other. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties.

In the event that any Article and/or parts of this Agreement are determined to be void or otherwise invalid or unenforceable, such Article or portions thereof shall lapse. No such lapse will affect the rights, responsibilities, and obligations of the parties under this Agreement, except as provided therein. If either party determines that such lapse has or may have a material effect on the performance of the Agreement, such party shall promptly notify the other party, and shall negotiate in good faith a mutually acceptable amendment to the Agreement if appropriate to address the effect of the lapse.

ARTICLE XVII - PROTECTION OF INFORMATION

The parties agree that they shall take appropriate measures to protect all proprietary, privileged, confidential, or otherwise Sensitive Security Information (SSI) that may come into their possession as a result of this Agreement.

A. RELEASE OF TECHNICAL DATA

No Sensitive Security Information (SSI), as defined in 49 CFR Parts 15 and 1520, concerning the scope of this Agreement, shall be published or released to the public without prior written approval of the TSA Assistant Secretary or his or her designee. Guidance regarding SSI may be found in Appendix G, "Checked Baggage Screening Equipment Sensitive Security Information Identification Guide", of the TSA PGDS.

B. RECORDS AND RELEASE OF INFORMATION

All Sensitive Security Information (SSI), as defined in 49 CFR Part 1520, shall be handled in accordance with TSA policies and regulations. All employees, contractors, and subcontractors assigned to work under this agreement are subject to the provisions of 49 CFR Part 1520, Protection of Sensitive Security Information, because they act for, or carry out duties for, or on behalf of the TSA. SSI may not be disclosed except in accordance with the provisions of that rule or where TSA otherwise approves. MDAD is required to notify TSA in writing immediately if any litigation, alternative dispute resolution procedure or other dispute resolution method is initiated by any person, authority, company or entity against MDAD or any other person, authority, company or entity which may result in the release of SSI to any party, including "covered" parties under 49 CFR Part 1520.

C. MEDIA

Neither the MDAD, the Airport nor its contractors shall make publicity or public affairs activities related to the subject matter of this Agreement unless written approval has been received from the TSA Office of Security Technology or the TSA Office of Strategic Communication and Public Affairs prior to any release.

ARTICLE XVIII - SURVIVAL OF PROVISIONS

The following provision of this Agreement shall survive the termination of this Agreement: Article V – Project Responsibilities, paragraph C; Article XII – Required Federal Procurement Provisions; Article XI – Audits; Article XIV – Disputes, Article XVII – Protection of Information and Article XVIII – Survival of Provisions.

END OF AGREEMENT

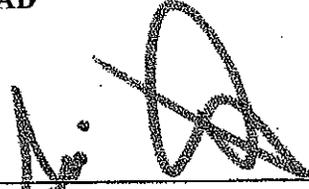
IN WITNESS WHEREOF the Parties have entered into this Agreement by their duly authorized officers this 1st day of May, 2012.

U. S. Department of Homeland Security
Transportation Administration

MDAD



Matthew Ashurst
TSA Contracting Officer



José Abreu
Aviation Director

050112

Date

4/11/2012

Date

Copy to:
Office of Security Capability
Federal Security Director