U.S. Navy Claims Defense of the Iranian Foreign Military Sales (FMS) Program

1 Introduction

The Naval Litigation Office of the Office of the General Counsel (OGC), Department of the Navy enables the Navy and the Marine Corps to fulfill their missions in the changing world by providing candid legal advice and counsel, effective advocacy, and creative problem solving. The OGC Naval Litigation Office is providing litigation support and assistance to the Department of State (DoS) in support of the Government's defense of Iranian FMS claims against the United States Government at the Iran - U.S. Claims Tribunal, The Hague, Netherlands.

The Iran - U.S. Claims Tribunal at The Hague, Netherlands, has jurisdiction over certain claims between the U.S. and Iranian governments arising from pre-1981 contractual arrangements between the parties. In one of the largest claims, Case B/1, Iran is seeking $10.5 billion, plus interest since 1981 for alleged wrongful charges to Iran over the life of its FMS Program. Current claims based on Navy sales are presently valued at about $13.8 billion including interest, and a U.S. counter claim against Iran valued at approximately $520 million including interest.

In July 2003 the Naval Litigation Office in the Office of the General Counsel assumed responsibility for all Navy Iranian Claims defense support. This includes responding to Tribunal directions through the Department of State by providing analytical support personnel, conducting searches of Navy field activities and contractor sites, document collection, inventorying and analyzing the probative value of transactions recorded in millions of documents, scanning and encoding pertinent records into the Department of State database, and the indefinite long-term storage of litigation records. In December 2014 the Deputy Secretary of Defense (DEPSECDEF) continued to direct the military departments to give this effort a high priority and adequate support to provide the most thorough and exhaustive litigation support possible. A critical element for successful defense against Iranian claims includes the review and collection of documentation to establish a strong audit trail recreating the 20-year history of the Iran FMS Program.

The Department of State Office of the Assistant Legal Adviser for International Claims and Investment Disputes (L/CID) is representing the United States government in this litigation, and their success is dependent upon the vigorous, sustained support of the DoD and its Military Services -- particularly those components involved in the underlying FMS transactions with Iran. Over the years, Iran and the United States have filed a total of three briefs and evidence to the Claims Tribunal pertaining to a group of 130 test cases. The latest submission, which the United States filed in June 2012, was comprised of approximately 60,000 pages of information. This filing paved the way for the Tribunal to schedule hearings and oral arguments for 25 of the original 130 test cases. Eight of those cases were for the Navy. The hearings were broken down into eight separate sessions that covered a span of 16 months. The first hearing commenced in February 2018, and the final hearing wrapped up in June 2019. It is noteworthy to point out that shortly before the 2018 hearing began, Iran withdrew 34 of the original 130 test cases from further review and consideration, including 22 Navy cases. After factoring in the initial 25 cases that were presented to the Tribunal between 2018-2019, and the 34 cases that Iran withdrew from further consideration, there is a remainder of 71 out of the original 130 test cases that have not yet been presented to the Tribunal. The Navy also supported the State Department in preparing for a subsequent brief and hearing in 2022 on the merits of the Algiers Accords, which was the 1981 agreement that paved the way for the U.S. and Iran to settle their legal disputes through the formation of the Iran-U.S. Claims Tribunal. Finally, the Tribunal has also ordered the U.S. to respond to Iran's 2023 brief and evidence filing on the U.S. Counterclaim issues.

The Tribunal operates slowly and methodically, and it is currently still in deliberation over the 2018-2019 case hearing stream and the 2022 Algiers Accords hearing. There is no clear timeline for when any decisions or partial award(s) might occur. In the meantime, the Naval Litigation Office will be required to continue providing technical assistance to the State Department on its representation of the United States on claims and counterclaims concerning Iran's Navy-managed FMS program. Successful resolution and a subsequent partial award by the Tribunal on the initial 25 test cases will likely establish precedents affecting the remaining 71 test cases, as well as the larger, more complex, and higher dollar value claims. From 2027 through 2032 the primary focus will be on the outstanding tasks and support for potential hearings pertaining to the remaining test cases. In addition, likely support tasks will include major research and drafting of briefs and evidence for the largest 44 cases, as well as support for any briefings, hearings, and arguments on the U.S. Counterclaim. For the Navy, this includes complex cases relating to the F-14, Phoenix and Harpoon missiles, RH53D and AH1J helicopters, and the DD993 Spruance Destroyer

program. Analysis of these weapon systems and the technical assistance required for the U.S. Counterclaim will warrant substantial, sustained Navy support. For the Navy to meet its obligations in a timely, efficient, and economical manner, contractor personnel will be required to perform these and other primary litigation support functions.

2. Scope

The purpose of this contract is to provide the administrative, professional, and technical support required to facilitate the objectives of the Department of the Navy and Naval OGC Litigation Office compliance with the Deputy Secretary of Defense direction to the Military Departments for this program. The objective of this contract is to provide the Navy OGC and DoS the most thorough and exhaustive litigation support possible in defense of claims against the United States and in pursuit of the counterclaim brought by the U.S. against Iran. The contractor shall provide those services, personnel, materials, and related equipment to perform the work delineated herein.

3. Tasks

3.1. Assist the Navy OGC in coordinating Iranian Foreign Military Sales (FMS) claims defense actions along with Navy International Program Office (Navy IPO), Navy Systems Commands (SYSCOM), Naval Supply Systems Command, Weapon Systems Support (NAVSUP WSS), Department of State (DoS), and other organizations. The contractor will utilize the following systems to conduct the required tasks:

State Department Integrated Document Management and Analysis System (IDMAS)
State Department Documentum system
State Department Concordance database
Navy Image Silo system
Navy Iranian Integrated Reconciliation Information System (IRIS) database
Navy Management Information System - International Logistics (MISIL)
Standard Accounting Reporting System (STARS)
Centralized Expenditure & Reimbursement Processing System (CERPS)
Defense Finance and Accounting System (DFAS) Defense Integrated Financial System (DIFS) database
Other miscellaneous on-line and hardcopy research tools

Knowledge of historical accounting systems and practices over the last 40 plus years for FMS case reconciliation and litigation purposes is critical. The Contractor must also be well versed in Navy, DoD, and FMS regulations, manuals and instructions that were in place during the 1970's and 1980's. Examples include, but are not limited to the following:
NAVSUP 508 – Dictionary of MISIL Data Elements
NAVSUP 526 – FMS Customer Supply System Guide
NAVSUP 557 – FMS Financial Operations Handbook
NAVSUP 548 -- Integrated Logistics Support Supply Handbook
DOD 4000.25-M – MILSTRIP Manual
DOD 4140.17-M – MILSTRIP Routing Identifier and Distribution Codes
NAVSUP 541 – NAVSUP Security Assistance Manual
DOD 5105.38-M – Security Assistance Management Manual

3.1.1. Maintain connectivity to all required Government information systems and databases, consistent with the needs of the Navy OGC and the State Department. This includes working with appropriate points of contact to ensure the operability of a fiber optics cable connection to a secure computer system at the Department of State. The contractor shall have the State Department fiber optics cable connection in place and operational at their proposed facility (or facilities) by the performance start date. The contractor shall be responsible for setting up individual employee user accounts for the various Government information systems that the employees will be required to access. The contractor will also ensure that all employees are eligible to obtain DoD Navy Common Access Cards (CAC), which is a prerequisite for gaining access to many of the Government information systems.

3.1.2. Provide management information and research reports to Navy OGC by utilizing the systems and authorities listed in paragraph 3.1. The contractor must have a thorough understanding of these systems, databases, regulations, and manuals as these are the tools the contractor will need for conducting the business and tasks outlined below.

3.2. Research and locate evidence for individual billing lines pertaining to the Navy cases in the large 44 case group. The contractor shall accomplish this research by accessing and reviewing computerized images in the IDMAS and Image Silo systems. The contractor may also need to access and review hard copy records if the computerized images are illegible or not available. (See case breakouts and projected requirements below):

3.2.1. Case SAM – Projected requirement is to locate and match evidence to 520 billing lines each year of the contract. The total number of billing lines to be matched with evidence should equal or exceed 2,600 by the end of the contract.

3.2.2. Case SAT – Projected requirement is to locate and match evidence to 1,200 billing lines each year of the contract. The total number of billing lines to be matched with evidence should equal or exceed 6,000 by the end of the contract.

3.2.3 Case SBY – Projected requirement is to locate and match evidence to 1,200 billing lines each year of the contract. The total number of billing lines to be matched with evidence should equal or exceed 6,000 by the end of the contract.

3.3. Prepare reconciliation reports for individual billing lines pertaining to the Navy cases in the large 44 case group. The contractor shall commence reconciling the billing lines with the largest dollar value first (known as super lines) and then work down from there. The contractor shall accomplish this reconciliation by reviewing documentation that has already been matched to the billing lines and determine if the documentation provides sufficient evidence to prove that items were properly billed, priced, and delivered to Iran. The contractor shall annotate and explain its findings on the reconciliation reports and identify any deficiencies or potential litigation issues that may require additional research or explanation. The reconciliation reports shall be submitted to Navy and State Department personnel for final review after all research efforts have been exhausted. (See case breakouts and projected requirements below):

3.3.1 Case SAM – Projected requirement is to draft and finalize 66 reconciliation reports for the case SAM super line bills during each year of the contract. The total number of super line reconciliation reports for case SAM should be equal to 330 by the end of the contract. If the contractor completes all 330 super line reconciliation reports for this case prior to the end of the contract, it shall move forward with preparing reconciliation reports for the lower dollar value billing lines.

3.3.2 Case SAT – Projected requirement is to draft and finalize 45 reconciliation reports for the case SAT super line bills during each year of the contract. The total number of super line reconciliation reports for case SAT should be equal to 225 by the end of the contract. If the contractor completes all 225 projected super line reconciliation reports for this case prior to the end of the contract, it shall move forward with preparing reconciliation reports for the remaining 231 super line bills.

3.3.3 Case SBY – Projected requirement is to draft and finalize 45 reconciliation reports for the case SBY super line bills during each year of the contract. The total number of super line reconciliation reports for case SBY should be equal to 225 by the end of the contract. If the contractor completes all 225 projected super line reconciliation reports for this case prior to the end of the contract, it shall move forward with preparing reconciliation reports for the remaining 208 super line bills.

3.3.4 Case ABM – Projected requirement is to draft and finalize 8 reconciliation reports for the case ABM super line bills during each year of the contract. The total number of super line reconciliation reports for case ABM should be equal to 41 by the end of the contract. If the contractor completes all 41 super line reconciliation reports for this case prior to the end of the contract, it shall move forward with preparing reconciliation reports for the lower dollar value billing lines.

3.3.5 Case ABK – Projected requirement is to draft and finalize 4 reconciliation reports for the case ABK super line bills by the end of the contract. If the contractor completes all 4 super line reconciliation reports for case ABK prior to the end of the contract, it shall move forward with preparing reconciliation reports for the lower dollar value billing lines.

3.3.6 Case ABL – Projected requirement is to draft and finalize 7 reconciliation reports for the case ABL super line bills by the end of the contract. If the contractor completes all 7 super line reconciliation reports for this case prior to the end of the contract, it shall move forward with preparing reconciliation reports for the lower dollar value billing lines.

3.3.7 Case SAX – Projected requirement is to draft and finalize 14 reconciliation reports for case SAX super line bills during each year of the contract. The total number of super line reconciliation reports for case SAX should equal 70 by the end of the contract. If the contractor completes all 70 super line reconciliation reports for this case prior to the end of the contract, it shall move forward with preparing reconciliation reports for the lower dollar value billing lines.

3.3.8 Case GCY – Projected requirement is to draft and finalize 3 reconciliation reports for case GCY super line bills during each year of the contract. The total number of super line reconciliation reports for case GCY should be equal to 17 by the end of the contract. If the contractor completes all 17 super line reconciliation reports for this case prior to the end of the contract, it shall move forward with preparing reconciliation reports for the lower dollar value billing lines.

3.3.9 Case GDC – Projected requirement is to draft and finalize 4 reconciliation reports for case GDC super line bills during each year of the contract. The total number of super line reconciliation reports for case GDC should be equal to 21 by the end of the contract. If the contractor completes all 21 super line reconciliation reports for this case prior to the end of the contract, it shall move forward with preparing reconciliation reports for the lower dollar value billing lines.

3.3.10 Case GEL – Projected requirement is to draft and finalize 7 reconciliation reports for case GEL super line bills during each year of the contract. The total number of super line reconciliation reports for case GEL should be equal to 34 by the end of the contract. If the contractor completes all 34 super line reconciliation reports for this case prior to the end of the contract, it shall move forward with preparing reconciliation reports for the lower dollar value billing lines.

3.3.11 Case GFZ – Projected requirement is to draft and finalize 3 reconciliation reports for case GFZ super line bills during each year of the contract. The total number of super line reconciliation reports for case GFZ should be equal to 14 by the end of the contract. If the contractor completes all 14 super line reconciliation reports for this case prior to the end of the contract, it shall move forward with preparing reconciliation reports for the lower dollar value billing lines.

3.4. Prepare reconciliation reports for individual termination charges pertaining to the large 44 cases known as the Phase II group. The total number of outstanding termination billing lines is 2,108. The contractor will accomplish this reconciliation by reviewing and analyzing evidence and documentation that has already been matched to the termination billing lines. The contractor shall explain the nature and applicability of the termination directives and ensure the evidence fully supports Navy actions during the closeout of the Iranian Foreign Military Sales program. The contractor shall identify any deficiencies or potential litigation issues that may require additional research or explanation. The reconciliation reports will be submitted to Navy and State Department personnel for final review after all research efforts have been exhausted. The projected requirement is to draft and finalize 200 termination reconciliation reports during each year of the contract. The total number of termination reconciliation reports should be equal to at least 1,000 by the end of the contract. If the contractor completes all 1,000 of the projected termination reconciliation reports prior to the end of the contract, it shall move forward with preparing reconciliation reports for the remaining 1,108 termination billing lines.

3.5. Prepare reconciliation reports for the individual termination charges pertaining to the remaining 157 Navy cases known as the Phase III group. The contractor shall follow the same procedures for the Phase III group as

outlined for the Phase II group in section 3.4. However, the contractor shall only commence work on preparing reconciliation reports for the Phase III group if all work on the Phase II group is completed. The PWS may be amended to address any changes or modifications to this requirement.

3.6. Analyze records in the diversion database for the Phase II cases. This involves identifying SAAC Delivery Listing credit transactions and matching those credits to the list of Iranian items that were diverted to other customers. When necessary, the contractor shall create a list of Issues To Be Resolved (ITBR) for Navy and State Department personnel to review as the need arises. (See the task breakout and projected requirements below).

3.6.1 There are approximately 6,400 Phase II credit transactions that need to be matched and reconciled to the list of Iranian items that were diverted to other customers. The projected requirement is to reconcile 1,280 credit transactions during each year of the contract. The total number of matched and reconciled transactions should be equal to 6,400 by end of the contract.

3.6.2 During the Phase II credit reconciliation process, the contractor shall fully scrutinize the transactions to identify and document any discrepancies that cannot be completely matched and reconciled. The contractor shall add these anomalies to a list of Issues to be Resolved (ITBR) report that will eventually be reviewed by government personnel for further action.

3.7. Prepare Spruance Destroyer ship reconciliation summary reports for each obligating document (OBDOC) billed in the STARS financial system. The contractor shall use evidence previously located for each OBDOC to isolate the amounts billed for each individual ship and then create a summary report of the charges and diversion transactions. Once all OBDOC reports are complete, the contractor shall finalize a full report for each ship encompassing all the charges and diversions. The task breakout is as follows:

3.7.1 Ship 5 - total number of OBDOCS and reports to be drafted is 99, encompassing 1,634 STARS billing lines and a combined dollar amount of $11,707,107.90. The contractor shall complete this work within the first two years of the contract.

3.7.2 Ship 6 - total number of OBDOCS and reports to be drafted is 100, encompassing 1,662 STARS billing lines and a combined dollar amount of $12,515,281.14. The contractor shall complete this work within the first two years of the contract.

3.8. Assist Navy OGC in conducting monthly and quarterly Iran Litigation and Claims Defense Program Reviews, Joint Service Iran Litigation coordination meetings, and Navy FMS Iran Case Reviews. The contractor will host these meetings at its own facility and should expect Navy and DoS personnel to attend the meetings in person or via Teams. Quarterly meetings will normally take place in-person and shall normally be scheduled in October, January, April, and July. Monthly briefings will take place in November, December, February, March, May, June, August, and September. The Navy OGC Program Manager (COR) will determine if the monthly meetings will be held in-person, via Teams, or by sending briefing charts through email. The contractor employees may also be required to attend in-person Joint Service and Case Review meetings at the Department of State or other Government offices. As a follow up to all meetings, the contractor shall prepare and disseminate minutes to the involved organizations and activities. The contractor employees attending off-site meetings may seek reimbursement for their local travel expenses (see Travel Requirements in section 4.5).

3.9. Organize and analyze travel records for cases SAT and SBY. The contractor shall research and collect evidence for the travel lines and structure the evidence to break down the individual charges comprising the “roll-up” (group of transactions) for each travel line. The collected records will be catalogued in a specific spreadsheet format known as Travel Logs, which details each billing amount along with its corresponding evidence.

3.9.1 Case SAT – Organize, analyze, and catalog a total of 4 rollup travel lines during the first year of the contract. This will complete the travel line requirement for case SAT.

3.9.2 Case SBY – Organize, analyze, and catalog a total of 10 rollup travel lines during each year of the contract. The total number of completed travel lines should be equal to 40 by the end of the contract.

3.10. Review Section III: Factual Issues of Iran's Counterclaim Brief (DOC 3576), dated 11.29/2023 to determine whether the statement of facts submitted by Iran in paragraphs 93 through 446 are supported by the evidence submitted or cited by Iran. There are 354 paragraphs that must be scrutinized. The contractor shall complete the review of all 354 paragraphs and submit a report of its findings to Navy and State Department personnel before the end of the first year of the contract.

3.11. Receive, organize, store, inventory, catalogue, identify, and retrieve Iran FMS billing, delivery, and contract records (as outlined below).

3.11.1 Visit DoD, Federal, and Contractor activities identified by the Navy OGC Program Manager to conduct record searches for Iran FMS billing, delivery, and contract records. Research will include files received from Navy Headquarters, SYSCOMS, Defense Logistics Agency (DLA), Defense Plant Representative Offices (DPRO), Defense Contract Management and Accounting Offices (DCMAO), Federal Records Centers (FRC), Navy field activities, and identified contractors' records. Coordinate with DoS on all aspects of inventorying, cataloguing and retrieving records from outside activities.

3.11.2 Inventory new records by using the DoS General Inventory Program (GIP) database. The contractor shall also ensure new collections of records are uploaded to the Navy Image Silo database, which is managed by the DataBank Corporation. The contractor shall obtain access to GIP and Image Silo on the performance start date. The projected requirement includes inventorying and imaging 25 boxes of working files into Image Silo and conducting a general inventory of 213 NAVILCO AlphaID boxes (equating to 2,901 individual folders) into the State Department General Inventory Program (GIP) database. The contractor shall complete these tasks within the first two years of the contract.

3.11.3 Maintain responsibility for storing approximately 12 million original hard copy Iran FMS billing and delivery documents currently stored in more than 7000 boxes. An electronic copy of these records will also be stored in the Government Furnished Image Silo database. The contractor shall utilize these electronic and hard copy records to conduct research and provide evidence in support of this litigation effort. (Refer to Section 4.8 for additional details on accessing, managing, and storing the hard copy and electronic records)

3.12. Research Iranian claims for validation of shipments, and investigate disposition, condition, price, or other criterion of Iranian assets using Iranian annotated DFAS printouts, United States government, and/or commercial documents.

3.13. Identify, gather, and encode all relevant data points from exhibits, commercial orders, air cargo manifests, military and commercial shipping documents, purchase receipts, invoices, and any other shipment, procurement or financial records as they relate to the Iranian claims. Perform quality assurance reviews of all data prior to final entry into the DoS IDMAS system.

3.14. Determine the Iranian acquisition prices for claimed Iranian assets and compare them to prices on MISIL, IRIS, and various data material lists (ML-Navy, ML-Consolidated, etc.). The contractor must have Haystack Gold capability at the time of the performance start date.

3.15. Identify and account for all diverted and disposed Iranian material. This includes accounting for Iranian items on contract that were shipped to other customers at no cost to Iran.

3.16. Research and account for Report of Discrepancy (ROD) transactions that occurred during the life of the Iran FMS program.

3.17. Research and report all historical marketing efforts performed to maximize return of funds to the Iranian Trust Fund through the sale and disposition of suspended Iranian assets.

3.18. Support scheduled and unscheduled filings and hearings with the Iran-US Claims Tribunal at The Hague that may require shifting of priorities, resources, and schedules.

3.19. Utilize MISIL, STARS, DIFS, CERPS, IDMAS, GIP, and Navy IRIS to perform tasks listed above. Access to these systems will be provided after the contract is awarded.

4. General Requirements

This section describes the general requirements for this effort. The following sub-sections provide details of various considerations on this effort.

4.1 Non-Personal Services

The Government will neither supervise contractor employees nor control the method by which the contractor performs the required tasks. Under no circumstances shall the Government assign tasks to or prepare work schedules for individual contractor employees. It shall be the responsibility of the contractor to manage its employees and to guard against any actions that are of the nature of personal services or give the perception of personal services. If the contractor believes that any actions constitute, or are perceived to constitute personal services, it shall be the contractor's responsibility to notify the Procuring Contracting Officer (PCO) immediately.

4.2 Business Relations

The contractor shall successfully integrate and coordinate all activity needed to execute the requirement. The contractor shall manage the timeliness, completeness, and quality of problem identification. The contractor shall provide corrective action plans, proposal submittals, timely identification of issues, and effective management of subcontractors. The contractor shall seek to ensure customer satisfaction and professional and ethical behavior of all contractor personnel.

4.3 Contract Administration and Management

The following subsections specify requirements for contract, management, and personnel administration.

4.3.1 Contract Management

The contractor shall establish clear organizational lines of authority and responsibility to ensure effective management of the resources assigned to the requirement.

The contractor shall provide a Contract Manager who shall be responsible for the performance of the work. The name of this person and an alternate who shall act for the Contractor when the manager is absent shall be designated in writing to the Contracting Officer. The Contract Manager or alternate shall have full authority to act for the contractor on all contract matters relating to daily operations of this contract. The Contract Manager or alternate shall be available between normal business hours (as outlined in paragraph 2.5) Monday through Friday, except Federal holidays, or when the supported government facility is closed for administrative reasons.

4.3.2 Contract Administration

The contractor shall be responsible for employing technically qualified personnel to perform the work specified in this Performance Work Statement. The contractor shall maintain the personnel, organization, and administrative control necessary to ensure that the work delivered meets the contract specifications and requirements. The work history of each contractor employee must contain experience directly related to the tasks and functions he or she must perform under this contract. The Government reserves the right, during the life of the resulting contract, to request work histories on any contractor employee for the purpose of verifying compliance with the above requirements. Personnel assigned to or utilized by the contractor in performance of work shall be fully capable of performing the contemplated functions of the respective labor categories in an efficient, reliable, and professional manner.

4.3.3 Subcontract Management

The contractor shall be responsible for any subcontract management necessary to integrate work performed on this requirement and shall be responsible and accountable for all subcontractor work performed on this requirement. The prime contractor will manage work distribution to ensure there are no Organizational Conflict of Interest (OCI) considerations. Contractors may add subcontractors to their team by first requesting approval in writing from the Procuring Contracting Officer (PCO).

4.4 Location and Hours of Work

The work duties under this contract will be performed at contractor or subcontractor facilities located within a 150-mile radius of the Washington DC area.

The Contractor is responsible for conducting business between the normal business hours of 8 a.m. to 5 p.m. Monday thru Friday except Federal holidays. However, the Contractor may allow employees to start work earlier than 8 a.m. or work later than 5 p.m., but all employees should be working between the core hours of 10 a.m. to 2 p.m. The contractor may allow employees to telework, but the practice should not interfere with or inhibit an employee's ability to conduct research or gain access to the required computer systems or data resources. The Contracting Officer Representative (COR) reserves the right to monitor the contractor's implementation of teleworking policies and may provide additional input to ensure those policies produce results that are deemed to be in the best interest of the Government, while also ensuring the safety of the employees. The Contractor must maintain an adequate workforce for the uninterrupted performance of all tasks defined within this PWS when the Government facility is not closed for the above reasons. When hiring personnel, the Contractor shall be mindful that the stability and continuity of the workforce are essential.

The contractor is not required to perform services on the holidays listed below:

New Year's Day	Labor Day
Martin Luther King Jr's Birthday	Columbus Day
Presidents Day	Veterans Day
Memorial Day	Thanksgiving Day
Juneteenth	Christmas Day
Independence Day	

4.5 Travel / Temporary Duty (TDY)

The Contractor may be required to travel CONUS and within the National Capital Region (NCR) during the performance of this contract to attend meetings, conferences, and training. The contractor may be required to travel to off-site training locations and to ship training aids to these locations in support of this PWS. The Contractor may also be required to travel overseas to participate in support activities related to hearings and oral arguments held at the Iran-U.S. Claims Tribunal at The Hague, Netherlands. The Contractor will be authorized travel expenses consistent with the provisions of the Joint Travel Regulation (JTR)and the limitation of funds specified in this contract. All travel requires Government approval/authorization and notification to the COR. Travel vouchers and supporting documentation must be presented for payment within 10 days after completion of travel.

Contractor personnel will be required to visit various DOD/Federal Government and other contractor sites throughout the Continental United States. The purpose of travel will be for document searches, witness interviews, and attendance at meetings. The types of organizations to be visited include Navy Headquarters, Systems Commands and field activities, Defense Contract Management activities, Federal Records Centers, Defense Audit Agency activities, Defense procurement activities, Defense Logistics Agency field activities, and other contractor sites involved in the Iran FMS Program.

A trip report shall be submitted no later than 10 business days following completion of any travel requirements. The report shall include at a minimum, the purpose of the trip, date of travel, labor category, and significant outcome of the trip. As an exception, formal trip reports will not be required for routine travel to attend meetings between the contractor facilities and Washington, DC.

4.6 Security and Safety

Contractor personnel performing work under this contract must have SECRET clearances at the time their performance begins under the contract. In addition, the program manager and/or at least one other personnel resource must have a TOP SECRET clearance level to work on the Iranian Counterclaim issues. TOP SECRET documentation will not be physically stored at the contractor site but may be reviewed as needed at other government facilities. The highest classification of material that may be stored at the contractor site is SECRET. All classified documents will be stored in Government Furnished four-drawer locked safes. The contractor is responsible for acquiring and maintaining security clearances at the level(s) required under this

contract. The contractor must have the capability to receive classified documents up to the SECRET level when the contract is awarded. The security requirements are in accordance with the attached DD254.

4.6.1 Identification of Contractor Employees

All contract personnel attending meetings, answering Government telephones, and working in other situations where their contractor status is not obvious to third parties are required to identify themselves as such to avoid creating an impression in the minds of members of the public that they are Government officials. They must also ensure that all documents or reports produced by contractors are suitably marked as contractor products or that contractor participation is appropriately disclosed.

4.6.2 Physical Security

The contractor shall be responsible for safeguarding all government equipment, information, and property provided for contractor use. At the close of each work period, contractor facilities, equipment, and materials shall be secured.

4.6.3 Key Control

The Contractor shall develop procedures covering key control at the contractor's facilities that shall be included in the Quality Control Plan. Such procedures shall include turn-in of any issued keys by personnel who no longer require access to locked areas. The Contractor shall immediately report any occurrences of lost or duplicate keys/key cards to the Contracting Officer.

4.6.4 Lock Combinations

The Contractor shall establish and implement methods of ensuring that lock combinations are not revealed to unauthorized individuals at the contractor's facilities. The Contractor shall ensure that lock combinations are changed when personnel having access to the combinations no longer have a need to know such combinations. These procedures shall be included in the Contractor's Quality Control Plan.

4.7 Government Furnished Equipment

A list of Government Furnished Equipment will be provided and available for the contractor to use in the performance of this contract. The list will be provided after an award decision has been made.

4.7.1 List of Government Furnished Equipment

The contractor shall provide all personnel, equipment, supplies, facilities, transportation, tools, materials, supervision, and other items and non-personnel services necessary to perform U.S. Navy claims defense of the Iranian Foreign Military Sales (FMS) Program as defined in this Performance Work Statement except for those items specified as government furnished property and services. The contractor shall perform work to the standards outline in this contract.

To be provided.

4.7.2 Equipment Inventory

Not later than 10 working days after the contract award, the Contractor and COR shall conduct a joint inventory of government furnished equipment and the Contractor shall temporarily take possession of equipment provided by the Government. The Contractor and COR shall jointly determine the working condition and order of the equipment. Equipment not in working order and discrepancies beyond reasonable wear and tear shall be recorded and certified by the COR. If the Contractor does not participate in the inventory, the Contractor must accept the list of equipment provided by the COR as accurate. Immediately after contract award, the Contractor shall appoint two employees to request and be approved for the roles of Property Shipper and Property Receiver in the Government Furnished Property (GFP) module in the Procurement Integrated Enterprise Environment (PIEE) system.

4.7.3 Contractor Responsibilities

The contractor shall be responsible for preventative maintenance and care of government-owned or leased equipment and facilities.

4.7.4 Government Responsibilities

Repair or replacement of government-owned or leased equipment or equipment parts and facilities will be the responsibility of the Government.

4.8 Document Management, Processing and Storage

The contractor shall be responsible for managing, processing and storing both digital and hard-copy records pertaining to this litigation effort. Records storage facilities must satisfy the National Archives Records Administration (NARA) standards included in 36 CFR Part 1234.

4.8.1 Document Management and Processing

The contractor shall provide document management and processing capabilities. Document management includes establishing control over the movement of all materials (including delivery, shipping, and pickup), and the associated numbering, copying retrieving and refiling of the documents. Organization and indexing services shall typically be required immediately prior to image capture. The contractor shall provide all personnel, training, facilities, equipment, and supplies for the performance of all document processing services. Document processing shall include the creation and maintenance of detailed log sheets and associated document controls. Dissemination of documents, data, and other media is on a need-to-know basis only. The contractor shall ensure that only appropriate individuals have access to such information. The COR shall determine the extent to which any type of document may be disseminated.

4.8.2 Document Storage (Electronic Data)

The contractor shall be responsible for overseeing a collection of over 20GB of electronic documents and supporting records for this litigation. These electronic records are currently being managed by the DataBank Corporation in a database known as Image Silo. The contractor shall assume responsibility as the Government's agent to work with DataBank in protecting, maintaining, and adding additional records to the collection as needed. The contractor shall also be responsible for administering payment to DataBank for their monthly invoices and routine charges. The contractor will receive reimbursement for the DataBank charges by submitting WAWF invoices against the Materials CLIN under this Navy contract.

4.8.3 Document Storage (Hard Copy Records)

The contractor shall be responsible for storing over 7000 boxes of hard copy documents, photos, removeable computer disks, and other items in support of this litigation. These items are currently being stored in leased warehouse space at 270 Geiger Road, Philadelphia, PA 19115. The warehouse is owned by Geiger Ziff Associates. The contractor shall assume responsibility as the Government's agent to continue leasing and paying for this warehouse space. The contractor will receive reimbursement for the warehouse storage costs by submitting monthly WAWF invoices against the Warehouse Storage CLIN under this Navy contract. The contractor shall also be responsible for paying any associated utility bills or other costs incurred from leasing the warehouse space. The contractor will receive reimbursement for these additional costs by submitting WAWF invoices against the Materials CLIN under this Navy contract.

4.8.4 Document Storage (General)

Electronic records will be accessible through the Image Silo application. The contractor shall be responsible for ensuring all employees have access to those records on the performance start date. Hard copy records stored at the leased warehouse should be retrievable within two business days or less. On average, the contractor should expect to add or retrieve records in the warehouse about four (4) times per month. The COR may instruct that sets or subsets of these materials be shredded or otherwise destroyed with appropriate security and

confidentiality precautions. The contractor shall protect all material, including documentation, reports, software, data, and other types of information under this contract from disclosure to third parties. In the unlikely event that the contractor is ordered by a court or legislative body to disclose any information, or release any material related to this contract, the contractor shall provide notice in writing to the COR as soon as possible and no later than two business days from the date when any order is received.

4.9 Data Rights

The Government has unlimited rights to all documents/material produced under this contract. All documents and materials, to include the source codes of any software, produced under this contract shall be Government owned and are the property of the Government with all rights and privileges of ownership/copyright belonging exclusively to the Government. These documents and materials may not be used or sold by the contractor without written permission from the Contracting Officer. All materials supplied to the Government shall be the sole property of the Government and may not be used for any other purpose. This right does not abrogate any other Government rights.

4.9.1 Protection of Data

This project and all materials provided to the Contractor by the Government and results, conclusions, and recommendations obtained thereof should be considered confidential in nature and treated with the same level of care that the Contractor treats its own confidential business information. The information shall not be disclosed, copied, modified, used (except for the completion of this project), or otherwise disseminated to any other person or entity at any time, including but not limited to inclusion in any database external to the Government, without the Government's express consent.

4.9.2 Special Requirements/Instructions/Consideration

No data provided to or developed by the contractor shall be used for any purpose other than this contract. All information (data files and hard copy) is the property of the government, and the contractor shall return them to the Office of the General Counsel Naval Litigation Office at the completion of the task. The Navy IRIS database and web-based Image Silo are government furnished.

4.10 Material Costs

The material costs will include communication (telephone, mail, and courier), reproduction of Iran FMS documents and other historical material, briefing materials, deliverables, maintenance of approximately 20GB of digital data on a secure, searchable website (currently known as Image Silo) and certain computer equipment attached to the State Department closed computer system.

4.11 Storage Costs

Storage Costs encompass the cost of leasing a warehouse to store over 7,000 boxes of original hard copy Iranian records. The contractor maintains responsibility for storing and protecting these records on behalf of Navy OGC.

5. Deliverables

Any deliverable defined in this PWS shall be submitted on official company letterhead by a designated company representative. The cover letter shall be addressed to the COR at Navy OGC unless otherwise directed. The cover letter shall include as a minimum, the title of the applicable deliverable item, date performed, and the appropriate contract number or purchase order number for the deliverable item. The attached Contract Data Requirements List (CDRLs), DD 1423 lists the monthly requirements.

5.1 Post Award Conference/Periodic Progress Meetings

The Contractor agrees to attend any post award conference convened by the contracting activity or contract administration office in accordance with Federal Acquisition Regulation Subpart 42.5. The contracting officer, Contracting Officers Representative (COR), and other Government personnel, as appropriate, may meet periodically with the contractor to review the contractor's performance. At these meetings the contracting officer, or COR, will relay to the contractor how the government views the contractor's performance, and the contractor will notify the Government of any problems being experienced. Appropriate action will be taken to resolve outstanding issues. These meetings shall be at no additional cost to the government.

5.2 Quality Control Plan

The contractor shall develop and maintain an effective quality control program to ensure services are performed in accordance with this PWS. The contractor shall develop and implement procedures to identify, prevent, and ensure no recurrence of defective services. The contractor's quality control program is the means by which the contractor assures itself that work performed complies with the requirement of the contract. The Quality Control Plan (QCP) should be delivered at the start of the 30-day Phase In/ Phase Out period, three copies of a comprehensive written QCP shall be submitted to the Contracting Officer's Representative (COR) within five (5) working days when changes are made thereafter. After acceptance of the QCP the contractor shall receive the COR's acceptance in writing of any proposed change to its QC system.

5.3 Cost and Task Status Report

The contractor shall prepare and submit a monthly Cost and Task Status report that provides a synopsis of its billing activity for the month. The report shall include a breakdown by CLIN of the obligated amounts against the contract, as well as the monthly invoiced amounts and revised remaining balances. This report shall be submitted to the COR prior to the contractor's official submission of its monthly invoice in WAWF.

5.4 Status of Litigation Activities Report

The contractor shall prepare and submit a monthly Status of Litigation Activities report that includes a breakdown of the various tasks and projects associated with this litigation effort. The report shall include projections on the number of tasks to be completed for each significant measurable task category in Section 3 of this Performance Work Statement. The report shall reflect monthly activity as well as maintaining a running total for the remaining tasks to be completed for each category. The COR shall play an active role in working with the contractor to make mutually agreeable adjustments to the task projections as this litigation progresses.

5.5 Obligating Documents Report

The contractor shall prepare and maintain an Obligating Documents Report (in spreadsheet form) that identifies all of the FMS contracts that were associated with the Navy's portion of Iran's FMS program during the 1960's and 1970's. The spreadsheet shall identify the contract number, applicable FMS case, weapon system, vendor name and address for all of the pertinent Navy contracts. The spreadsheet shall be updated as required and submitted to the COR annually at least 30 days prior to the Period of Performance ending.

The contractor shall provide the following deliverables:

Deliverable	PWS Reference	Due Date	Format	Recipient
Post Award Conference	5.1	5 Working Days After Award	In Person	COR
Quality Control Plan	5.2	30 Days After Award	Electronic	COR
Management Information and Research Reports	3.1.2	Continuous	Electronic	COR
Cost and Task Status	5.3	Monthly, 15 days after EOM	Electronic	COR
Status of Litigation Activities	5.4	Monthly, 15 days after EOM	Electronic	COR
Program Review	3.6	Quarterly, 30 days after EOQ	Electronic	COR
Program Review Minutes	3.6	Quarterly, 15 days after Review	Electronic	COR
Monthly Meeting Minutes	3.6	Monthly, 15 days after meeting	Electronic	COR
Joint Service and Case Review meeting Minutes	3.6	As directed, 15 days after meeting	Electronic	COR

Obligating Documents Report	5.5	Annually, 30 Days Prior to POP Ending	Electronic	COR
Trip Report	4.5	10 days following completion of travel	Electronic	COR

6. Quality Assurance Surveillance Plan (QASP)

To ensure that the Government has an effective and systematic method of surveillance for the services in the PWS. The QASP will be used primarily as a tool to verify that the contractor is performing all services required by the PWS in a timely, accurate and complete fashion.

6.1. Critical performance processes and requirements. Critical to the performance of U.S. Navy Claims Defense of the Iranian Foreign Military Sales (FMS) Program is the timely, accurate and thorough completion of all contract/task order requirements.

6.2. Performance Standards

6.2.1. Schedule - The due dates for deliverables and the actual accomplishment of the schedule will be assessed against original due dates and milestones established for the contract or task order(s).

6.2.3. Deliverables – The deliverables required to be submitted will be assessed against the specifications for the deliverables detailed in the contract/task order(s) and the Quality Control Plan (QCP), if required by the contract, for the required content, quality, timeliness, and accuracy.

6.2.4. Past Performance - In addition to any schedule, deliverables, and cost aspects of performance discussed above, pursuant to FAR 42.15, the Government will assess the contractor's record of conforming to contract requirements and to standards of good workmanship, the contractor's adherence to contract schedules including the administrative aspects of performance, the contractor's history of reasonable and cooperative behavior and commitment to customer satisfaction, and the contractor's business-like concern for the interest of the customer.

6.3. Surveillance methods: The primary methods of surveillance used to monitor performance of this contract will include, but not be limited to, random or planned sampling, periodic or inspection, and validated customer complaints.

6.4. Performance Measurement: Performance will be measured in accordance with the following table:

Performance Element	Performance Requirement	Surveillance Method	Frequency	Acceptable Quality Level
Contractor Quality Control Plan	QC activities, inspections, and corrective actions completed as required by the plan.	Inspection by the COR	Quarterly for overall QC activities; As Required for corrective actions.	100% Compliance with the contractor plan.
Contract Deliverables	Contract deliverables furnished as prescribed in the PWS, attachments, CDRLs, Task Orders, etc., as applicable.	Inspection by the COR	100% inspection of all contract deliverables.	>95% of deliverables submitted timely and without rework required.

Overall Contract Performance	Overall contract performance of sufficient quality to earn a Satisfactory (or higher) rating in the COR's annual report on Contractor Performance	Assessment by the COR	Annual	All performance elements rated Satisfactory (or higher)
Invoicing	Monthly invoices per contract procedures are timely and accurate.	Review & acceptance of the invoice	Monthly	100% accuracy

If performance is within acceptable levels, it will be considered satisfactory. If not, overall performance may be considered unsatisfactory.

Incentives/Disincentives:

The COR makes an annual report on Contractor Performance (CPARS or other annual report). The contractor's failure to achieve satisfactory performance under the contract/task order, reflected in the COR's annual report, may result in termination of the contract/task order and may also result in the loss of future Government contracts/task orders. The contractor's failure to achieve satisfactory performance under the contract/task order may result in the non-exercise of available options.

For each item that does not meet acceptable levels, the Government may issue a Contract Discrepancy Report (CDR). CDRs will be forwarded to the Contracting Officer with a copy sent to the contractor. The contractor must reply in writing within 5 days after receipt of the CRD identifying how future occurrences of the problem will be prevented. Based upon the contractor's past performance and plan to solve the problem, the Contracting Officer will determine if any further action will be taken.

In accordance with the inspection of services provisions of the contract, the contractor will be incentivized to provide quality products in a timely manner since the Government can require the Contractor, at no additional cost, to replace or correct work that fails to meet contract requirements.