



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

Chris Hoofnagle
EPIC.ORG
1718 Connecticut Ave., NW
Suite 200
Washington, DC 20009

Person to Contact:
Barry Windheim (I.D. # 50-07976)
Telephone Number:
(202) 622-4264
Refer Reply to:
20-2001-04635 BW

SEP 10 2001

Dear Mr. Hoofnagle:

This is in response to your Freedom of Information Act (FOIA) dated June 22, 2001 requesting information regarding the contract between the Internal Revenue Service and ChoicePoint. Enclosed is the information that we have determined that you are entitled to under the FOIA. We have withheld 324 pages because we consider this information exempt from the disclosure requirements in accordance with (b)(4) of the Freedom of Information Act (FOIA), 5 U.S.C. 552.

Notice 393, which describes the exemptions and provides information concerning your appeal rights, is enclosed. If you have any further questions, please contact the person listed above.

Sincerely,

A handwritten signature in black ink, appearing to be "Barry Windheim".

Barry Windheim
Program Analyst, HQ Disclosure Office
Badge Number: 50-07976

Enclosure
Notice 393
102 pages

**Information on an IRS Determination to Withhold Records Exempt From
The Freedom Of Information Act - 5 U.S.C. 552**

Appeal Rights

You may file an appeal with the Internal Revenue Service within 35 days after we (1) determine to withhold records, (2) determine that no records exist, or (3) deny a fee waiver or a favorable fee category. If some records are released at a later date, you may file within 35 days after the date the last records were released.

The appeal must be in writing, must be signed by you, and must contain the following information:

Your name and address
description of the requested records
date of the request (and a copy, if possible)
date of the letter denying the request (and a copy, if possible)

Mail your appeal to:

Internal Revenue Service
Richmond Appeals Office - FOIA Appeal
2727 Enterprise Parkway, Suite 100
Richmond, VA 23229

Judicial Review

If we deny your appeal, or if we do not send you a reply within 20 days (not counting Saturdays, Sundays, or legal public holidays) after the date we received the appeal, you may file a complaint with the U.S. District Court in the district where (1) you reside, (2) your principal place of business is located, or (3) the records are located. You may also file in the District Court for the District of Columbia.

The court will treat your complaint according to the Federal Rules of Civil Procedure (F.R.C.P.). Service of process is governed by Rule 4(d)(4) and (5), which requires that a copy of the summons and complaint be (1) personally served on the United States Attorney for the district in which the lawsuit is brought; (2) sent by registered or certified mail to the Attorney General of the United States at Washington, D.C.; and (3) sent by registered or certified mail to the Commissioner of Internal Revenue, Attn: CC:EL:D, 1111 Constitution Avenue, N.W., Washington, D.C. 20224.

In such a court case, the burden is on the Internal Revenue Service to justify withholding the requested records, determining that no records exist, or denying a fee waiver or a favorable fee category. The court may assess against the United States reasonable attorney fees and other litigation costs incurred by the person who takes the case to court and who substantially prevails. You will have substantially prevailed if the court determines, among other factors, that you had to file the lawsuit to obtain the records you requested and that the Internal Revenue Service had no reasonable grounds to withhold the records. See Internal Revenue Service Regulations 26 CFR 601.702 for further details.

Exemptions

The Freedom of Information Act, 5 U.S.C. 552, does not apply to matters that are—

(b)(1) • (A) specifically authorized under criteria established by an Executive Order to be kept secret in the interest of national defense or foreign policy and

(B) are in fact properly classified under such an Executive Order;

(b)(2) • related solely to the internal personnel rules and practices of an agency;

(b)(3) • specifically exempt from disclosure by statute (other than section 552b of this title), provided that the statute

(A) requires that the matters be withheld from the public in such a manner as to leave no discretion on the issue, or

(B) establishes particular criteria for withholding or refers to particular types of matters to be withheld;

Note: subsection (b)(3) protects information exempted by certain qualifying statutes, such as Internal Revenue Code section 6103, which protects tax returns and information generated by and collected by the IRS with regard to a taxpayer.

(b)(4) • trade secrets and commercial or financial information obtained from a person and privileged or confidential;

(b)(5) • inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency;

(b)(6) • personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;

(b)(7) • records or information compiled for law enforcement purposes, but only to the extent that the production of such law enforcement records or information

(A) could reasonably be expected to interfere with enforcement proceedings,

(B) would deprive a person of a right to a fair trial or an impartial adjudication,

(C) could reasonably be expected to constitute an unwarranted invasion of personal privacy,

(D) could reasonably be expected to disclose the identity of a confidential source, including a State, local or foreign agency or authority or any private institution which furnished information on a confidential basis, and, in the case of a record or information compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, information furnished by a confidential source,

(E) would disclose techniques and procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law, or

(F) could reasonably be expected to endanger the life or physical safety of any individual;

(b)(8) • contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions; or

(b)(9) • geological and geophysical information and data, including maps, concerning wells.

February 28, 2001

MEMORANDUM FOR ALL EXECUTIVES AND MANAGERS

FROM: David A. Mader /s/
Assistant Deputy Commissioner Operations

SUBJECT: Electronic Research Services – Asset and Locator Services

In August 2000, the Service awarded two national contracts to provide our employees with state-of-the-art tools for locating individuals and their assets. The successful bidders were ChoicePoint Public Sector (for asset/locator information) and Experian Information Services (for credit information). Award came after more than two years of inquiry into the asset/locator industry by the Office of Servicewide Policy, Directives and Electronic Research (SPDER). This memorandum is intended to update the information contained in my memorandum dated May 30, 2000, entitled "Electronic Research Services – Tax Law Research & Locator Services" insofar as that document pertains to Asset and Locator Services. A copy of the May 30, 2000, memorandum is attached.

The SPDER office has been coordinating contract rollout efforts since the awards were made. For example:

- Training material has been developed in cooperation with the contractors and the Office of Learning and Education for the Small Business/Self Employed (SB/SE) operating division. This material has been designed for use by all IRS employees.
- ID and password coordinators have been requested from the operating divisions and functions to facilitate identifying end users throughout the IRS.
- Various communications vehicles have been utilized to inform employees of these contracts in cooperation with National Office Communication and Liaison.

Background

The SPDER office has current responsibility for electronic research services, which includes both tax law research and locator services. In the past, the Collection function had authority over the Service's Asset/Locator dollars, but permitted a patchwork of local contracts, frequently with a common vendor. The only national contracts, primarily for the benefit of service centers, were the Undeliverable Mail System (UMS) and Telephone Number Research System (TNR) and, after those were funded, the remaining dollars were distributed to field offices for the purchase of local contracts. Centralized procurement and control have diminished the geographic disparity of product availability and brought about economies of scale. It is recognized, however, that certain local contracts will be needed to supplement the contracts with ChoicePoint and Experian.

Procurement Policies

Generally, existing contracts that duplicate the services offered by ChoicePoint or Experian will not be renewed. Asset/locator services shall not be purchased at the operating division level or below without first obtaining specific approval from the SPDER office (N:ADC:R:R:SPDER) in Washington. The SPDER office is included in the RTS routing path for all electronic research contracts, in accordance with IRT 00-14 which was published by Procurement and available at [http://awss.procurement.irs.gov/policy/irt00-14\(r\).pdf](http://awss.procurement.irs.gov/policy/irt00-14(r).pdf).

Training Policies and Guidelines

Train-the-trainer classes have been completed for the initial group of 200 instructors. All instructors trained so far are assigned to SB/SE, although training was intended for employees from all operating divisions. Trainers were selected through a cooperative effort with NTEU. The prevailing opinion is that ChoicePoint and Experian are user-friendly applications, but that some level of training for end users will be necessary to optimize the benefits to be derived from the products. A four-hour training module suitable for classroom delivery has been made available.

Role of Instructors

An instructor cadre of approximately 200 will provide classroom training to end users and serve as coaches during the learning period. There is no formal OJT period, and there is no formal time commitment expected of instructors, although it is reasonable to expect that they will be available for the duration of the rollout process. Those familiar with the rollout of the Lexis/CCH contract last year may recall that a specific time commitment was included in the creation of the instructor cadre.

ChoicePoint and Experian ID Administration

ChoicePoint IDs and passwords were first generated for 12,600 SB/SE GS-1169 revenue officers and GS-512 revenue agents. These user populations were rolled out first because

- They represent more than half of the total user base, and
- They were easily identified using TIMIS, as 100% of these two populations were to receive access.

Additional end user names will be transmitted to ChoicePoint in the future. These will be funneled through ID coordinators in each business operating division so as to maximize privacy and protect the integrity of the audit trail features which were incorporated in the contract and maintained by the contractors.

Experian has already provided IDs and passwords for each of the Service's computers that will be used to retrieve Credit Bureau information. This data is input into the

Smart.Alx program, which is the required interface for accessing credit bureau information. The installation of the new IDs and passwords into Smart.Alx is a one-time-only requirement, and has no effect on the operation of the program itself. As such, no additional training for end users will be needed.

How to Access ChoicePoint and Experian

Experian's credit bureau data will be accessed the way end users have always accessed credit bureau data, through the use of Smart.Alx. Only the vendor has changed, not the method of access. In the case of ChoicePoint the primary vehicle for access will be an Internet connection to ChoicePoint's website. Plans are underway for the testing of a Windows dial-up product that can be installed on standalone computers in the hands of those who do not have Internet access as yet.

The Contracts in Brief

1. Electronic Asset/Locator Information: ChoicePoint Public Sector

This product will enable employees to locate individuals and businesses, and to confirm basic asset information. We anticipate that employees in all of the Business Operating Divisions as well as in Appeals will use this service.

ChoicePoint will provide public record information including: Real and Personal Property Data, Motor Vehicle Information, State Corporation information, Bankruptcy, Lien, Judgment, SSA Master Death Records, FAA, Coast Guard and Credit Header Data (Last Known Address, etc.). The coverage is national, but will vary based on the availability of data from specific states and counties. For example, ChoicePoint provides DMV data as noted above. However, due to California's Anti-Stalking laws, that state will not sell DMV information to any 3rd-party vendor, and thus no California DMV data will be available.

If an area or territory has a contract for information **not covered by the ChoicePoint contract**, then an annual contract may be entered for that data.

For example

- No state will sell Employment Commission data to 3rd-party vendors, and so separate annual contracts would need to be entered for this information.
- As previously stated, some states (e.g. California) will not sell DMV information, so separate annual contracts would need to be entered for this information.

Local contracts, funded by the various operating divisions on behalf of their component organizations, should follow the same open market or sole sourcing procedures that guide national contracts. For example, \$755,000 was provided to SB/SE to cover local contracts in all operating divisions which serve needs not covered under national contracts. Reference is made to the "Procurement Policies" enumerated at the top of page 2 above.

2. Credit Bureau Information: Experian Information Solutions, Inc.

Experian will provide Credit Header information to ACS call sites, which will supply current address and employment information on individual taxpayers.

In the past, employment data has not been included with Credit Headers, so the resulting data was of limited use to ACS employees. The inclusion of this data should enhance the IRS' ability to locate individual taxpayers and thereby more quickly resolve their tax issues.

Due to restrictions of the Fair Credit Reporting Act, only revenue officers will have access to full credit reports.

Questions and issues pertaining to the subject of this memorandum may be directed to Program Analysts Jay Bolling or Trent Cox of the SPDER staff at 202-622-4492 and 518-427-4156, respectively.

Attachment

LEXIS-NEXIS INSTRUCTOR GUIDELINES

The former Operations functions and functions such as Appeals, Chief Counsel, and Criminal Investigation have already implemented the national electronic research services contracts with LEXIS-NEXIS and CCH, Inc. However, we have recently identified some additional instructor needs. Additionally, certain current provisions involving instructors are being modified. **Individuals currently identified as instructors that have been trained as train the trainers by LEXIS need to confirm that they wish to continue in the cadre, and validate their address. See last page for procedures.** Management will take the necessary measures to ensure all affected employees are given the opportunity to express their intent.

Instructor Duties:

If additional instructor needs are identified for LEXIS-NEXIS, individuals will attend a Train-The-Trainer class provided by LEXIS-NEXIS.

Instructors will be part of a cadre to teach cross-functional end user classes and must be available to teach classes throughout their Territories. They will also be expected to attend refresher Train-the-Trainer courses and update end users.

Instructors must be available as "onsite experts" to provide support to other users in their Territory. Management will allow employees an appropriate amount of time, including reduction inventory where necessary, to complete these duties.

Instructors will receive periodic training updates via e-mail or through an IRS Intranet site.

General Expectations:

1. LEXIS-NEXIS Instructors need a working knowledge of basic Windows operations.
2. Instructor refresher training sessions will be held periodically.
3. Up to 8 hours of pre-classroom preparation is required to practice on the LEXIS- NEXIS prior to attending an initial train-the-trainer session.
4. Overnight travel may be required for train-the-trainer sessions and may be required when teaching end user classes.
5. Basic Instructor Training (BIT) and teaching experience are not required.
6. It is recommended that two instructors will be used for classroom training.

7. Instructors must be available as "onsite experts" to provide support to other users in their Territory. Management will allow employees an appropriate amount of time, including reduction inventory where necessary to complete these duties.
8. Per the March 1, 1999, Letter of understanding, instructors will be experienced users of electronic tax law research services.

Selection Process:

Trainers will be selected at the local level by requesting volunteers. Management and NTEU will use locally agreed to procedures to jointly make selections. The need for additional train the trainers will be determined once the current train the trainers confirm or deny their desire to remain in the cadre. The Office of Servicewide Policy, Directives and Electronic Research (SPDER) will notify Area Directors of the locations where a need exists.

CHOICEPOINT/EXPERIAN INSTRUCTOR GUIDELINES

We have recently solicited employees to participate as trained instructors to teach end users how to use the new ChoicePoint and Experian products.

Instructor Duties:

1. Instructors will be part of a cadre to teach cross-functional end user classes and must be available to teach classes throughout their Territories.
2. Instructors will attend a train-the-trainer session provided by ChoicePoint and Experian. The vendor training will consist of 12 hours of Choicepoint Internet access training and 4 hours of Experian credit report analysis training.
3. Instructors must be available as "onsite experts" to provide support to other users in their Territory. Management will allow employees an appropriate amount of time, including reduction inventory where necessary, to complete these duties.
4. Instructors will receive periodic training updates via e-mail or through the SPDER Intranet site.

General Expectations:

1. Instructor refresher training sessions will be held periodically.
2. ChoicePoint instructors should be encouraged to access the product prior to attending training.
3. For SBSE, the instructor cadre will be comprised of a mix of employees from its various functions (collection, examination etc.) All other functions need to identify their individual training needs. Once determined, they may select instructors from their own area or contract out from SBSE.
4. Overnight travel may be required for train-the-trainer sessions and may be needed when teaching end user classes.
5. Basic Instructor Training (BIT) and teaching experience are not required.
6. It is recommended that two instructors will be used for classroom training.

Selection Process:

Trainers will be selected at the local level by requesting volunteers. Management and NTEU will use locally agreed to procedures to jointly make selections. The need for additional train the trainers will be determined once the current train the trainers confirm or deny their desire to remain in the cadre. The Office of Servicewide Policy, Directives and Electronic Research (SPDER) will notify Area Directors of the locations where a need exists.

CURRENT LEXIS TRAIN THE TRAINERS VALIDATION FORM

If you have been trained as a LEXIS-NEXIS Train the Trainer, please complete this form and fax it to Lillian Roth of SPDER at 202-927-5559.

----- YES, I want to continue as a train the trainer for LEXIS and remain as a member of then instructor cadre

. If Yes was selected, provide current work address:

Internal Revenue Service

(Street address)

(City, state, and zip)

(phone number)

----- NO, I do not want to continue as a train the trainer for LEXIS-NEXIS



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

JUN 26 2001

MEMORANDUM FOR TERRI L. HILTON
CONTRACTING OFFICER A:P:C:T:D

FROM: James R. Bolling
Program Analyst

SUBJECT: Intent to Renew Fiscal Year (FY) 2002, Contract No.
TIRNO-00-D-00029 with ChoicePoint Public Sector

The purpose of this memorandum is to formally notify your office of our intent to exercise the First Option Period of the above subject contract for Electronic Research and Locator Services for the FY 2002 period of August 15, 2001 through August 14, 2002.

Attached you will find a completed "Contractor Performance Report" (Form 9398, Part 13) for this contract.

If there are any questions concerning this matter, please contact me at 202-927-2739.

Attachment



September 14, 2000

Mr. J. Bolling, COTR
Internal Revenue Service
11 Constitution Avenue, N.W.
Washington, DC 20224

Re: Request to Reprint Training Materials under Contract No. TIRNO-00-D-00029

Dear Mr. Bolling:

This correspondence is in reference to the IRS' request to reprint certain materials as set forth below for training purposes in connection with the above referenced contract between the IRS and ChoicePoint Business and Government Services Inc:

1. Technical Instruction Sheet(s) ;
2. Instructors Guide; and
3. Participants Guide

Permission is hereby granted to the Internal Revenue Service to reprint the above referenced material under the following conditions: (1) the material will be reprinted only for training purposes in connection with the contract and for no other purpose; (2) the material will be distributed only within the IRS and will not be provided to any third party without the written permission of ChoicePoint; (3) the attached statement must be included with any material that is to be distributed to IRS users; (4) the materials may only be reprinted in the camera-ready format in which ChoicePoint provides them and any proposed alteration from this format must be provided to ChoicePoint for review and approval; and (5) permission to reprint is granted for the period the contract is in effect.

Thank you for your anticipated compliance with the above listed requirements.

Sincerely,

Douglas M. Wagoner, Jr.
Vice President

SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS
OFFEROR TO COMPLETE BLOCKS 12,17,23,24, & 30

1. REQUEST NUMBER: 0-0-N8-30-30-A01 001
PAGE 1 OF 98

2. CONTRACT NO. TIRNO-00-D-00029
3. AWARD/EFFECTIVE DATE 08/15/2000
4. ORDER NUMBER
5. SOLICITATION NUMBER TIRNO-00-R-00008
6. SOLICITATION ISSUE DATE 03/08/2000
7. FOR SOLICITATION INFORMATION CALL:
a. NAME Helen D. Carmona
b. TELEPHONE NUMBER (No collect calls) 202-283-1145
8. OFFER DUE DATE/LOCAL TIME 04/07/2000 15:00

9. ISSUED BY
Internal Revenue Service
Constellation Centre
6009 Oxon Hill Road
Oxon Hill, MD 20745
CODE 20745003
10. THIS ACQUISITION IS
 UNRESTRICTED
 SET ASIDE: % FOR
 SMALL BUSINESS
 SMALL DISADV. BUSINESS
 8(A)
SIC: 7323
SIZE STANDARD: \$5,000,000
11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED
 SEE SCHEDULE
12. DISCOUNT TERMS
Discount: 0%
Days: 0
Net due: 0
13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS(15 CFR 700)

13b. RATING
14. METHOD OF SOLICITATION
 RFQ IFB RFP

16. DELIVER TO
INTERNAL REVENUE SERVICE
A/C PROCUREMENT Suite 700
6009 OXON HILL ROAD
OXON HILL, MD 20745
CODE IRS0088
16. ADMINISTERED BY
Internal Revenue Service
Constellation Centre
6009 Oxon Hill Road
Oxon Hill, MD 20745
CODE 20745003

17a. CONTRACTOR/OFFEROR
CHOICEPOINT PUBLIC SECTOR
BOB RUSSELL
8330 BOONE BLVD., SUITE 850
VIENNA VA 22182
CODE 00050864
FACILITY CODE
TELEPHONE NO. (703) 734-6200
17a. PAYMENT WILL BE MADE BY
IRS/IRS-ADMINISTRATIVE SERVICES CENTER
PO BOX E
TELEPHONE # (304) 256-6000
BECKLEY, WV 25802
CODE INV0830

17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER
18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BLOCK BELOW IS CHECKED SEE ADDENDUM

18. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
	See attached schedule (Attach Additional Sheets as Necessary)				

25. ACCOUNTING AND APPROPRIATION DATA
2000 0913 00030015 0015 37 2527
26. TOTAL AWARD AMOUNT (For Govt. Use Only) 0.00

27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4, FAR 52.212-3 AND 52.212-5 ARE ATTACHED. ADDENDA ARE ARE NOT ATTACHED.
 27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4. FAR 52.212-5 IS ATTACHED. ADDENDA ARE ARE NOT ATTACHED.

28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN _____ COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED HEREIN.
29. AWARD OF CONTRACT: REFERENCE TIRNO00R00008 OFFER DATED See Pg. 48. YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS: See addenda

30a. SIGNATURE OF OFFEROR/CONTRACTOR
Blm Wagner
30b. NAME AND TITLE OF SIGNER (TYPE OR PRINT)
Douglas M Wagner Jr
Vice President
30c. DATE SIGNED
AUG 15 2000
31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER)
Helen D. Carmona
31b. NAME OF CONTRACTING OFFICER (TYPE OR PRINT)
Helen D. Carmona 202-283-1145
31c. DATE SIGNED
AUG 15 2000

32a. QUANTITY IN COLUMN 21 HAS BEEN
 RECEIVED INSPECTED ACCEPTED, AND CONFORMS TO THE CONTRACT, EXCEPT AS NOTED
32b. SIGNATURE OF AUTHORIZED GOVT. REPRESENTATIVE
32c. DATE
33. SHIP NUMBER
34. VOUCHER NUMBER
35. ACCOUNT VERIFIED CORRECT FOR
36. PAYMENT
 COMPLETE PARTIAL FINAL
37. CHECK NUMBER
38. S/R ACCOUNT NUMBER
39. S/R VOUCHER NUMBER
40. PAID BY
41a. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT
41b. SIGNATURE AND TITLE OF CERTIFYING OFFICER
41c. DATE
42a. RECEIVED BY (Print)
42b. RECEIVED AT (Location)
42c. DATE REC'D (YY/MM/DD)
42d. TOTAL CONTAINERS

STATEMENT OF WORK
SECTION C

C.1 BACKGROUND INFORMATION

C.1.1 THE ELECTRONIC RESEARCH STUDY GROUP

In April 1997, the Acting Chief Officer for Compliance and Taxpayer Service initiated a study group to analyze how the Service provided tax research information, both via paper and electronically, to employees. This information includes tax law research materials from both internal and external sources, as well as locator service data such as assets, finder, and credit bureaus. The goal was to take a holistic look at the "process."

The Electronic Research Study (ERS) Group made many recommendations for the delivery of electronic research for the short and long terms. The first target focused on Compliance and Customer Service. The following objectives were accomplished:

Customer requirements were identified.

An Electronic Research strategy was developed.

IRS Modernization Security requirements were addressed.

A transition plan was developed to migrate from today's environment to a future system (Year 2001 and beyond).

The ERS Group found many diverse initiatives underway throughout the IRS to improve delivery of electronic research materials to IRS employees. However, there was neither an overall IRS focal point for orchestrating nor an overall IRS plan in place coordinating these efforts. Rather, each Assistant Commissioner's Office focused their electronic research resources (internally and externally) to meet the needs of their specific type of casework. Two such examples: Examination focused on tax law research while Collection focused on locating taxpayers and their assets. Districts have automated research systems in place, based on type of work and type of local auto resources available. One goal of the ERS was to combine research requirements into a unified strategy focused on the needs of IRS employees.

C.1.2 Current State of Operations: Electronic Research and Locator Services

Employees in the Compliance and Customer Service Organizations are the major users of locator research. Currently within the Service, there is a mix of automation capabilities, differing widely depending on function and location. Many employees have communication access using modems. Generally only headquarters

staffs have access to Windows or Web technology via the IRS Intranet using Transmission Control Protocol/Internet Protocol (TCP/IP) addressing.

There is a diversity of equipment and network capabilities throughout the country, and the IRS is working toward upgrades. For example, the Examination Division is currently replacing employees' laptop computers with Pentium machines running Windows NT. However, the Collection Division (which is the primary user of locator research) networks internally through the UNIX-based Integrated Collection System (ICS). Increasingly, the Collection Division is moving towards Intranet and Internet access.

Most employees working outside their offices (i.e., not located within Federal Office space) do not currently have direct access to electronic locator services.

Most Customer Service, Examination, International, Employee Plans and Exempt Organizations and Collection employees located within Federal Office space access external locator services through direct dial up via modem from UNIX and Windows based systems.

C.1.3 INTERIM ELECTRONIC RESEARCH AND LOCATOR SERVICE SYSTEM

FY 1999 is only one transition year that will lead toward the FY 2003 Information System Modernization Blueprint architecture. Research requirements must accommodate the diverse automation capabilities that will exist for the next 3-4 years.

The strategy for FY 1999 through 2002 will evolve as equipment and technology permit. Research information will be accessed through a combination of technologies during this period.

The IRS must ensure that any electronic research system introduced during this period:

- a) Meets the unique organizational research needs of each customer base. For example:
 1. ACS employees will be given access to limited locator data, while Revenue Officers will receive full access to all available databases.
 2. Employees in Counsel and other areas may not make extensive use of the Locator services provided, but they will still benefit from having access to this data without being dependent upon another function for its retrieval.
 3. Is usable on laptops and desktops with minimal supplemental hardware requirements
 4. Is easy to use

5. Provides research capability to users of Windows, Windows/NT and Internet Web through IRS Firewall to a secure Contractor application search system
6. Offers various types of user training (on-line help, tutorials) on an ongoing basis
7. Accommodates our evolving infrastructure
8. Is accessible to users with disabilities
9. Supports secure dial-in and other appropriate security requirements for access
10. Provides batch and ad hoc processing capabilities

C.1.4 YEAR 2003 VISION

The 2003 target vision based on the IRS Modernization Blueprint is presented for informational purposes only (see Section J, Contract Exhibit A). This exhibit illustrates how electronic research and locator services fit into the overall IRS modernization concept.

The IRS Modernization Blueprint provides for a Service-wide Electronic Research System that provides access to research materials. This system is viewed as the gateway to various data including the IRM, IRS Forms and Publications, commercial Tax Research Services and locator services.

We anticipate that most, if not all, asset and people locator contractors will provide web-based access to their products. We also anticipate the Intranet, network infrastructure, and end-user hardware within IRS will have matured to the point that any IRS employee will be able to access any internal publication, form, document or locator service via a web-browser.

A web-browser would serve as the end-user interface. A user in the office would initiate an information query from his/her workstation on the local area network. The query would be routed over the local Ethernet via TCP/IP through a router to a local web server or a regional service point on the Treasury Communication System via a high-speed wide bandwidth circuit such as a T1 circuit or larger line. Two servers would be used for load sharing and redundancy purposes. Customer requests for locator service research would be obtained by passing through regional servers and through the IRS firewall. Locator data would be routed back through the firewall to the server and back out to the requester. Criminal Investigation will continue to run on its own server.

Users in the field or working from home would access locator data by dialing over a phone line using encrypted modem technology into a regional service point having a secure-dial-in communication server. The request would pass through regional servers

and through the IRS firewall. Locator data would be routed back through the firewall to the server and back out to the requester.

C.2 CREDIT BUREAU PACKAGE

C.2.1 DESCRIPTION OF DATA

The Contractor shall identify the date the information supplied was last updated from the data source.

C.2.1.1 Credit Header Information

a) The Contractor shall provide the following mandatory data on all credit header searches:

1. Name and any aliases used by the subject searched.
2. The current and known former addresses of the subject searched.

b) Per § 608 [15 U.S.C. § 1681f] of the Fair Credit Reporting Act, the IRS is entitled to receive information regarding the subject's current and former employer(s) as a part of the Credit Header information with no inquiry being recorded on the subject's credit history. As such, the inclusion of employment information in Credit Header search results is a highly desirable feature of this contract.

C.2.1.2 Full Credit Reports (Domestic) – The Contractor shall provide full credit report information on a nationwide basis, as per industry standards.

C.2.1.3 Full Credit Reports (International) – It is highly desirable that the Contractor provides International Credit Reports.

C.2.2 TECHNICAL REQUIREMENTS

The product shall be available using modem and Dial-Up Networking connections. Access shall be via local and/or toll-free, on-line telephone numbers.

C.2.3 ADDITIONAL FEATURES

Future enhancements (products and services) provided to the Contractor's commercial customers at no cost shall accrue to the government at no cost. Future enhancements (products and services) provided to the Contractor's commercial customers at an additional charge shall be offered to the government at a rate equal to or less than the commercial rate. The government reserves the right to accept or reject the enhancement offer. Any future enhancements, if accepted, will be incorporated into the contract via modification.

C.2.4 SYSTEM COMPATIBILITY

The Contractor shall ensure that their product is fully compatible with the IRS' credit bureau validation software interface, which at present is Smart.Alx. Compatibility with this program is required to meet our internal system security requirements.

C.3 Locator Services Package

C.3.1 DESCRIPTION OF DATA

a) The following databases are mandatory and shall be supplied by the Contractor:

1. Bankruptcy data
2. Corporate officer/principal data and corporate asset data (where such data is not available via the Secretary of State)
3. Credit Bureau Header data
4. Judgments
5. Liens
6. Real Property Records
 - a) Grantee/Grantor data
 - b) Tax assessor data
7. Secretary of State/State Corporation Commission data
8. State Department of Motor Vehicle records

b) the following databases are not mandatory, but have been deemed as highly desirable:

1. Additional Business Information Sources
2. Date of birth
3. Marriage and divorce data
4. Coast Guard data
5. Court Docket information
6. Court Settlement data
7. Federal Aviation Administration data
8. Security Exchange Commission data
9. Social Security Administration Master Death Files

10. State Employment Commission records
11. International asset and locator information

The Contractor shall identify the date the information supplied was last updated from the data source.

C.3.2 TECHNICAL REQUIREMENTS

C.3.2.1 System access shall be available via the following methods:

C.3.2.1.1 Internet access

- a) The IRS requires secure access to a commercial web-server maintained by the Contractor. This secure access may be accomplished through the installation of a dedicated T1 circuit (or multiple fractional T1 circuits from regional access points) between selected nodes on the Contractor's network and the IRS Intranet, along with the installation of routers and appropriate "firewall" software.
- b) The product shall be accessible using standard web browser software.
- c) The Contractor shall ensure that any web-based service eliminates any security concerns regarding the use of Java applets, ActiveX or similar client-side processing.

C.3.2.1.2 Windows access (Windows 95/98/NT)

- a) The IRS requires locator service products to be available using modem and Dial-Up Networking connections. Modem access shall be available at the fastest commercially available speed that is compatible with IRS equipment. However, slower modem speeds shall also be accommodated. Access shall be via local and/or toll-free, on-line telephone numbers.
- b) The Contractor shall support PPP and/or SLIP access protocols.
- c) Any Windows NT-based locator service software shall be compatible with 32-bit architecture.

C.3.2.1.3 Telnet Access

- a) In order to integrate with the IRS' Unix-based Integrated Collection System (ICS), the Contractor shall provide text-based, Telnet accessible services with a terminal emulation compatible with SCO ANSI.
- b) The Contractor shall ensure that Telnet access is compatible with the following programs:
 1. PowerTerm
 2. Microsoft Telnet
 3. UNIX SCO 5 Telnet

C.3.2.2 This package shall allow the following types of searches:

- a) Online, Real-time, Interactive searches
- b) On-line Interactive Batch Searches
- c) Off-line delayed batch searches of over 20 taxpayers.

All libraries and databases that are available at the time of contract award shall be continuously available throughout the life of the contract unless such information is withdrawn from the public domain.

C.3.3 ADDITIONAL FEATURES

- a) The product shall have an on-line Help feature.
- b) The Contractor shall provide a menu-based search system that allows for customization of information available for specific user groups. It is highly desirable that this search system:
 1. Search multiple databases concurrently
 2. Provide templates to simplify the searching process
 3. Automatically incorporate business name associations into each search.
- c) The Contractor shall provide the user with the ability to enter a case reference as defined by the user. This field may be used to capture TIN or other pertinent identifiers.

- d) The Contractor shall provide the IRS with the ability to use the results of one search as input for another search without requiring the retyping or "cutting or pasting" of the information from one location to another. This functionality may be accomplished through the use of "hot-keys", "hyperlinks", or other methods.
- e) The Contractor shall ensure the user is able to print findings and reports without leaving the system connection.
- f) The Contractor shall ensure the user is able to save any user-selected reports in a text format.
- g) The Contractor shall provide the user with the ability to electronically access and retrieve a printable Search Audit Trail related to the current online session only. This Search Audit Trail shall provide the online user with a log of searches made during the current session. The following data shall be included:
 1. The databases accessed by the user, and
 2. The search expression and/or path used by the user
- h) Future enhancements (products and services) provided to the Contractor's commercial customers at no cost shall accrue to the government at no cost. Future enhancements (products and services) provided to the Contractor's commercial customers at an additional charge shall be offered to the government at a rate equal to or less than the commercial rate. The government reserves the right to accept or reject the enhancement. Any future enhancements, if accepted, will be incorporated into the contract via modification.

C.3.4 BILLING VALIDATION REPORTS

The Contractor shall maintain records of each IRS employee's activity on the system, including, but not limited to:

- Log-in and log-out times, or Log-in time and duration of session
- Number of searches and/or time spent within each search library

The Contractor shall maintain records of the maximum number of users accessing the system each hour, for the time periods from 7:00 AM Eastern time (ET) through 3:00 AM ET of the following day (at a minimum). The Contractor shall provide this system usage report for every day the system has been accessed.

The above information shall be provided electronically each month at the time of billing to the IRS COTR for billing validation and system monitoring purposes in the following formats:

- COTR's Report: This report shall provide the overall total billing for the entire contract package, subtotaled by each of the System Administrators' coverage areas. At time of award, the System Administrators' coverage areas will coincide with the current Regional structure of the IRS. When the IRS structural change takes effect, the System Administrators' coverage areas are expected to coincide with each of the four operating divisions of the IRS. (The four operating divisions are: Wage and Investment Income, Small Business and Self Employed, Large and Mid-Size Business, and Tax Exempt and Government Entities.)
- System Administrator's Report: This report shall provide the total billing for each System Administrator's coverage area (see definitions in the COTR's Report section above), subtotaled by each of the territories contained within each area. At time of award, the territories referenced above will coincide with the current District Structure of the IRS. When the IRS structural change takes effect, the territories will vary dependent upon the specific operating divisions.
- Territorial Report: This report shall provide the total billing for each of the separate territories (see definitions in the System Administrator's Report section above), subtotaled by each of the functional areas in that district. At time of award, the functional areas referenced above coincide with the current functional areas of the IRS (e.g. Exam, Collection, etc.) When the IRS structural change takes effect, there will still be functional areas (e.g. Compliance) contained within each operating division.
- Functional Report by Service or Product: This report shall provide the total billing for each functional area (see definitions in the Territorial Report section above), subtotaled by each of the services or products accessed. This will allow us to analyze overall usage of each separate service/product of the contract, providing us with the ability to more accurately predict usage needs for the contract option years.

C.4 PHYSICAL AND COMPUTER SECURITY OF FEDERAL TAX INFORMATION

The Contractor shall provide security measures to protect sensitive but unclassified (SBU) data from unauthorized access during duty and non-duty hours. At a minimum, IRS requires the following:

- SBU data shall be used only in an area that is restricted or secured or in a security room. (See Section J, Contract Exhibit B – Physical Security Requirements for more information.)

- When not in use or during off-duty hours, SBU data in hard copy format (e.g., paper or diskette) shall be stored in locked containers. Additionally, the locked container shall be located in a locked or secured area during non-duty hours.

All computer systems receiving, processing, storing, or transmitting sensitive but unclassified information, shall have the following minimum security standards: (see Section J, Contract Exhibit C – Computer Security Requirements for more information.)

- A Security Policy shall define allowed users and rules of access. The policy shall also provide for clearance of all protected information on objects before they are allocated out of or into the system, i.e., object reuse.
- Accountability - Computer systems shall be secured from unauthorized access. All security features (audit trails, identification/authentication) shall be available and activated to prevent unauthorized access to SBU.
- Assurance - Access controls and other security features shall be implemented and working. The security system shall be tested annually to assure it is functioning correctly.
- Documentation - Test documentation shall be readily available that describes how and what mechanisms were tested and the results. Design documentation shall also be included along with a user's guide and facility manual.

Contractors receiving Federal return information shall conduct and document periodic inspections during the year (quarterly) to ensure that the physical and computer safeguards are adequate. These safeguard inspections are subject to oversight and review by IRS employees. The inspection records will be filed in a separate folder, and for purposes of meeting IRC Section 6103(p)(4) requirements, will be retained for a minimum of three years. The documented periodic inspections will be submitted in accordance with the Reporting and Review Requirements as described in Contract Exhibit C1 - Physical and Computer Reporting and Review Requirements.

The Contractor shall track security violations by IRS users and provide records of these occurrences to the COTR. Security violations in this context would include simultaneous use of the same log-in and password, failure of a user to log off of the system, or other system integrity issues for which the Contractor systemically monitors.

The Contractor shall include an automatic feature that will log off the user after an extended period of inactivity. It is highly desirable that the length of time that triggers this feature can be altered at IRS request.

It is highly desirable that, on an ad-hoc basis when requested by the COTR, the Contractor provides a report detailing all system activity of a specific user.

C.5 TECHNICAL SUPPORT

The Contractor shall provide research and technical support via telephone, Monday through Friday, for each time zone, between the hours of 7:00 A.M. - 7:00 P.M. for the District Offices and between the hours of 7:00 A.M. - midnight for Service Centers. (See Section J, Contract Attachment 2 – District – Office & Service Center Addresses.)

The Contractor shall provide instructions and guidance in the installation, configuration, and maintenance of the software. Support shall be provided both for the initial installation and for all product upgrades.

C.6 TRAINING SUPPORT

Within ten (10) calendar days after contract award, the Contractor shall submit a draft "Training Plan" that outlines its schedule and method of training. The COTR will review the draft plan and provide comments back to the Contractor within ten (10) calendar days. The Contractor shall return the final plan to the COTR within five (5) calendar days. Within forty-five (45) calendar days of contract award the Service will identify the initial cadre of qualified instructors to be trained by the Contractor. The Contractor shall provide IRS instructors with both initial and ongoing training as new developments occur in accordance with an approved training plan. The initial training of the IRS instructors shall be scheduled for completion within one hundred twenty (120) calendar days of contract award. These IRS instructors will provide training to service employees on the use of each of the Contractor products.

Upon the Contractor's delivery of the final training plan to the IRS, the Contractor shall provide the IRS with ten (10) printed copies and one (1) camera-ready version of both a Quick Reference Guide and a User's Manual.

The Contractor shall provide each IRS instructor with a Quick Reference Guide, an Instructor's Guide and a User's Manual. Updates and substantive revisions to these products shall also be provided to IRS instructors during the term of the contract.

The Contractor shall provide subject matter experts to work with the Internal Revenue Service Office of Learning and Education in developing IRS functional-specific training material.

The Contractor shall train a maximum of twelve (12) student instructors in each session. The Service estimates a maximum of fifty (50) sessions will be required. (Final number of sessions to be determined after contract award).

The Contractor shall provide the "Hands-on, Train-the-Trainer" sessions. The training sessions for both the Credit Bureau Package and the Locator Services Package shall be held concurrently, so scheduling coordination shall be required between the Contractors awarded each of these packages.

The "Hands-on, Train-the-Trainer" sessions shall be held in the following locations:

- Headquarters city of each of the 33 district offices (See Section J, Contract Attachment 2 – District – Office & Service Center Addresses.)
- The ten service centers (See Section J, Contract Attachment 2 – District – Office & Service Center Addresses.)
- Additional office locations as specified by the Service (See Section J, Contract Attachment 3 – Additional Location Addresses.)
- The Contractor may suggest additional, alternate sites.

IRS users shall not be provided access to the Contractor's products/services until the completion of the first "Train-the-trainer" session.

The Contractor shall provide "Hands-on Train-the-Trainer" sessions giving each operating platform separate, independent treatment in the classroom. (This is not to say, however, that subsequent platform training could not be somewhat abbreviated. It is not necessary to schedule a separate training session for each platform.) Any migration from one software format to another (e.g. Windows to Internet, etc.) shall require separate "Hands-on Train-the-Trainer" sessions. Any upgrade to the Contractor's software shall require separate "Hands-on Train-the-Trainer" basic and advanced sessions.

Contractor travel costs associated with the product (software, etc) training will be reimbursed in accordance with the Federal Travel Regulations. Federal Acquisition Regulation 31.206-46, Travel Costs, is applicable to this contract. All travel costs shall be approved in advance by the Contracting Officer.

C.7 IMPLEMENTATION AND OPERATIONAL PLAN

Within ten (10) calendar days after contract award, the Contractor shall submit a draft "Implementation and Operational Plan" that outlines its schedule and method of implementation and ongoing operation. The COTR will review the draft plan and provide comments back to the Contractor within ten (10) calendar days. The Contractor shall return the final plan to the COTR within five (5) calendar days.

C.8 Y2K COMPLIANCE

All products (i.e. components) provided by the Contractor shall be certified and approved as *Fully Y2K Compliant* in accordance with IRS-wide policy by the IRS Information Systems Division.

A component is fully Y2K compliant when it complies with the following requirements:

- a) Expands all of its 2-digit year field to 4-digit fields both in the files and the code using those files;
- b) Ensures proper handling of dates in the current century and the next;
- c) Has no non-date values stored in the date fields (e.g. freeze codes, indicators, etc.);
- d) Complies with the Treasury directive of June 3, 1997 (Section J, Contract Exhibit D), designating that all Gregorian dates exchanged with external groups shall be in the YYYYMMDD format.

C.9 GLOSSARY

For the definition of terms and acronyms used throughout this statement of work, see Section J, Contract Attachment 4 – Glossary.

D. PACKAGING AND MARKING

All deliverables shall be made to the designated Contracting Officer's Technical Representative (COTR) listed in Section II, contract clause G.1 ADMINISTRATIVE CONTRACTING OFFICER.

All deliverables/products shall remain categorized as "Official Use Only" and the release of any portion must be authorized in writing by the Contracting Officer.

E. INSPECTION/ACCEPTANCE

Inspection/Acceptance will be conducted in accordance with the contract terms and conditions set forth at Section II, contract clause I.1 52.212-4 CONTRACT TERMS AND CONDITIONS -- COMMERCIAL ITEMS, paragraph (a).

SECTION F - CONTRACT SCHEDULE and DELIVERABLES

F.1 PERIOD OF PERFORMANCE

- a) The contract period of performance shall be for twelve (12) months from the date of contract award. The Government anticipates contract award(s) on or about August 15, 2000.
- b) This contract includes four (4) 12-month option periods for the renewal of the contract products/services, which may be unilaterally exercised by the Government. Each option period shall not exceed a 12-month period and shall be exercised in accordance with I.8 52.217-9 OPTION TO EXTEND THE TERM OF THE CONTRACT. Further, the Contractor agrees that performance under said option(s) shall be accomplished at the prices set forth in Section B.
- c) The task period of performance will be specified on individual Task Orders. In the event that a Task Order requires performance that extends beyond the current contract term, the Contractor shall be required to complete performance within the time frame set in the Task Order, provided such period does not extend beyond 6 months after the expiration date of the contract.

F.2 CONTRACT SCHEDULE OF DELIVERABLES

DELIVERABLE	DUE DATE	COMMENTS
Post -Award Orientation Meeting	Within 5 business days of contract award	See C.4 through C.7
Submission of draft Implementation/Operational Plan	Within 10 calendar days of contract award	See C.7
Submission of final Implementation/Operational Plan	Within 5 days of receipt of COTR comments	See C.7
Submission of draft Training Plan	Within 10 calendar days of contract award	See C.6
Submission of final Training Plan	Within 5 days of receipt of COTR comments	See C.6
Billing Validation Reports	To coincide with monthly submission of invoices	See C.3.4 Monthly billing shall be provided electronically by the close of business on the fifth (5th) working day following the end of the previous calendar month. The billing report shall be provided in the following format: - National Rollup by Region - Regional Rollup by District - District Rollup by Function - Functional Rollup by CLIN
Physical and Computer Security Plans	Annually upon contract renewal	See C.4
Physical and Computer Reporting and Review Requirements	Annually upon contract renewal	See C.4 and Contract Exhibit C1
295 - Subcontracting Report	Annually upon contract renewal	See item 6 - Reporting and Cooperation at Part III, Section J, Attachment 5 - Department of the Treasury , Small, Small Disadvantaged and Woman-Owned Small Business Subcontracting Plan Outline,

G - CONTRACT ADMINISTRATION DATA

G.1 ADMINISTRATIVE CONTRACTING OFFICER

The Contracting Officer for administration of this contract is:

TO BE COMPLETED AFTER AWARD
Internal Revenue Service
Office of Procurement Operations
Constellation Centre Building - 7th Floor
6009 Oxon Hill Road
Oxon Hill, MD 20745

The telephone number for the Contracting Officer is: 202-283-_____

The Contracting Officer, in accordance with Subpart 1.6 of the Federal Acquisition Regulation, is the only individual authorized to make or approve any changes in any of the requirements of this contract and notwithstanding any clauses contained elsewhere in this contract, the said authority remains solely with the Contracting Officer. In the event the Contractor makes any changes at the direction of any person other than the Contracting Officer, the change will be considered to have been made without authority and no adjustment will be made in the contract price to cover any increase in cost incurred as a result thereof.

G.1.2 MODIFICATION AUTHORITY

Notwithstanding any of the other provisions of this contract, the Contracting Officer shall be the only individual authorized to:

- (a) accept nonconforming work;
- (b) waive any requirement of this contract; or,
- (c) modify any term or condition of this contract.

G.2 CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE

The Contracting Officer's Technical Representative (COTR) for this contract is:

James R. Bolling, Jr.
Internal Revenue Service
SPDER
1111 Constitution Avenue, NW - Room 7516
Washington, DC 20224

The COTR's telephone number is: 202 -622-4492.

The COTR will represent the Contracting Officer in the administration of technical details within the scope of this contract. The COTR is also responsible for the final inspection and acceptance of all reports, and such other responsibilities as may be specified in the contract. The COTR is not otherwise authorized to make any representations or commitments of any kind on behalf of the Contracting Officer or the Government. The COTR does not have authority to alter the Contractor's obligations or to change the contract specifications, price, terms or conditions. If, as a result of technical discussions, it is desirable to modify contract obligations or the statement of work, changes will be issued in writing and signed by the Contracting Officer. The COTR assignment for this contract may be changed at any time by the Government without prior notice to the Contractor. The Contractor will be notified of the change.

G.2.1 TECHNICAL DIRECTION

(a) Performance of the work under this contract shall be subject to the technical direction of the COTR identified elsewhere in this contract. The term "technical direction" is defined to include:

(1) Directions to the Contractor that redirect the contract effort, shift work emphasis between work areas or tasks, required pursuit of certain lines of inquiry, fill in details or otherwise serve to accomplish the contractual Statement of Work.

(2) Provision of written information to the Contractor that assists in the interpretation of drawings, specifications or technical portions of the work description.

(3) Review and, where required by the contract, approval of technical reports, drawings, specifications and technical information to be delivered by the Contractor to the Government under the contract.

(b) Technical direction must be within the scope of work stated in the contract. The COTR does not have the authority to, and may not, issue any technical direction that:

- (1) Constitutes an assignment of additional work outside the Statement of Work;
- (2) Constitutes a change as defined in the contract clause entitled "Changes";
- (3) Causes an increase or decrease in the total price or the time required for contract performance;
- (4) Changes any of the expressed terms, conditions or specifications of the contract; or
- (5) Interferes with the Contractor's right to perform the terms and conditions of the contract.

(c) The Contractor shall proceed promptly with the performance of technical directions issued by the COTR and within his authority under the provisions of this clause. If, in the opinion of the Contractor, any instruction or direction by the COTR falls within one of the categories defined in (1) through (5) above, the Contractor shall not proceed but shall notify the Contracting Officer in writing within five (5) working days after receipt of any such instruction or direction and shall request the Contracting Officer to modify the contract accordingly. Upon receiving the notification from the Contractor, the Contracting Officer shall:

- (1) Advise the Contractor in writing within thirty (30) days after receipt of the Contractor's letter that the technical direction is within the scope of the contract effort and does not constitute a change under the "Changes" clause of the contract;
- (2) Advise the Contractor within a reasonable time that the Government will issue a written change order.

(d) The failure of the Contractor and Contracting Officer to agree that the technical direction is within the scope of the contract, or a failure to agree upon the contract action to be taken with respect thereto shall be subject to the provisions of the clause entitled "Disputes" of contract clause I.1 52.212-4 CONTRACT TERMS AND CONDITIONS -- COMMERCIAL ITEMS, paragraph (d).