

have a background investigation. The investigation shall be commensurate with the risk and security controls involved in managing, using or operating the resources identified above, consistent with 5 CFR part 731. HUD may bar contractor employees from working on this contract for failing to meet or maintain the applicable suitability standards administered by the Department's Personnel Security Branch.

(b) *Citizenship-related requirements.* All contractor employees as described in paragraph (a) shall: (1) be United States (U.S.) citizens living in the U.S.; or (2) owe allegiance to the U.S.

(c) *Background investigation process.* (1) The GTR shall notify the contractor of those contractor employee positions requiring background investigations. For each contractor employee in such a position, the contractor shall submit the following completed forms: Standard Form (SF) 85P, Questionnaire for Public Trust Positions; FD-258, Fingerprint Chart; Fair Credit Reporting Act authorization form; and other information as may be necessary. The contractor shall submit an original and one copy of the SF 85P.

(2) The contractor shall deliver the forms and information required in paragraph (c)(1) to the GTR as soon as practicable once the contractor knows that the employee will be assigned to this contract, and no later than seven (7) calendar days after the employee begins work on this contract.

(3) The investigation process shall consist of a range of personal background inquiries and contacts (written and personal) and verification of the information provided on the security forms described in paragraph (c)(1).

(4) Upon completion of the investigation process, the GTR shall notify the contractor in writing of any contractor employees' ineligibility to work on this contract. The contractor shall immediately remove such employees from work on this contract.

(5) The contractor shall notify the GTR in writing whenever a contractor employee for whom a background investigation package was required and submitted to HUD terminates employment or otherwise is no longer performing work under this contract. The contractor shall provide a copy of the written notice to the Contracting Officer.

(d) *Security breach notification.* The contractor shall immediately notify the GTR and the Contracting Officer of any breach or suspected breach of security or any unauthorized disclosure of the information contained in the automated system specified in this contract.

(e) *Nondisclosure of information.* (1) Neither the contractor nor any of its employees shall divulge or release data or information developed or obtained during performance of this contract, except to authorized Government personnel with an established need to know

or upon written approval of the Contracting Officer. Information contained in all source documents and other media provided by HUD are the sole property of HUD.

(2) The contractor shall require that any employees who may have access to the automated systems identified in paragraph (a) sign a pledge of nondisclosure of information. These pledges shall be signed by the employees before they are permitted to perform work under this contract. The contractor shall maintain the signed pledges for a period of three years after final payment under this contract.

(f) *Security procedures.* The contractor shall establish personnel security procedures that meet, as a minimum, the requirements of HUD Handbook 2400.24. The contractor shall provide a copy of such procedures and any revisions made to them during the period of the contract to the GTR.

(g) *Contractor compliance.* Failure on the part of the contractor to comply with the terms of this clause may result in termination of this contract for default.

(h) *Other clearance requirements.* When any work performed by contractor personnel on-site in a HUD facility meets the criteria set forth in HUDAR 2437.110(e), the contractor shall also comply with the requirements of the clause at 48 CFR 2452.237-75, Clearance of Contractor Personnel.

(i) *Subcontracts.* The contractor shall incorporate this clause in all subcontracts where the requirements specified in paragraph (a) of this section are applicable to performance of the subcontract.

(End of clause)

[64 FR 46100, Aug. 23, 1999]

#### **2452.239-71 Information Technology Virus Security.**

As prescribed in 2439.107(b), insert the following clause:

##### **INFORMATION TECHNOLOGY VIRUS SECURITY (FEB 2000)**

(a) The contractor hereby agrees to make every reasonable effort to deliver information technology products to HUD free of known computer viruses. The contractor shall be responsible for examining all such products prior to their delivery to HUD using software tools and processes capable of detecting all known viruses.

(b) The contractor shall include the following statement on deliveries of hardware, software, and data products, including diskettes, made under this contract:

[product description, part/catalog number, other identifier, and serial number, if any]

**2452.242-70**

**48 CFR Ch. 24 (10-1-02 Edition)**

“This product has been scanned for known viruses using [name of virus-screening product, including version number, if any] and is certified to be free of known viruses at the time of delivery.”

(c) The Contracting Officer may assess monetary damages against the contractor sufficient to compensate HUD for actual or estimated costs resulting from computer virus damage or malicious destruction of computer information arising from the contractor’s failure to take adequate precautions to preclude delivery of virus-containing products in the delivery of hardware, software, or data on diskettes under this contract.

(d) This clause shall not subrogate the rights of the Government under any other clause of this contract.

(End of clause)

[65 FR 3577, Jan. 21, 2000]

Period	Category	Provisional rate	Ceiling rate	Base
Effective date until amended:				
(b) For the term of this contract, the final indirect rates shall not exceed the ceiling rates listed above, if any. However, in the event the indirect rates developed by the cognizant audit activity on the basis of actual allowable costs are less than the ceiling rates agreed to herein, then the rates established by such cognizant audits shall apply (downward adjustment only). The Government shall not be obligated to pay any additional amounts on indirect rates above the ceiling rates set forth for the applicable period				

(End of clause)

**2452.242-71 Project management system.**

As prescribed in 2442.1107, insert the following clause:

**PROJECT MANAGEMENT SYSTEM (FEB 2000)**

(a) Within the time period specified elsewhere in this contract, or as directed by the Contracting Officer, the Contractor shall provide to the GTR and Contracting Officer a project management baseline plan and routine reports showing the Contractor’s actual progress against the baseline plan.

(b) The project management system shall consist of two parts:

(1) *Baseline plan.* The baseline plan shall consist of—

(i) A narrative portion that:

(A) Identifies each task and significant activity required for completing the contract work, critical path activities, task dependencies, task milestones, and related deliverables;

(B) Describes the project schedule, including the period of time needed to accomplish each task and activity (see i(B));

(C) Describes staff (e.g., hours per individual), financial, and other resources allocated to each task and significant activity; and,

**2452.242-70 Indirect costs.**

As prescribed in 2442.705-70, insert the following clause in cost-reimbursement type solicitations and contracts when it is determined that the Contractor will be compensated for negotiated or provisional indirect cost rates pending establishment of final indirect cost rates.

**INDIRECT COSTS (APR 1984)**

(a) Pursuant to the provisions of the clause of this contract entitled, “Allowable Cost and Payment” the rates listed below are established. If the column entitled, “Ceiling Rate” has rates listed, the ceiling applies for those rates only. If there are no ceiling rates listed, ceilings do not apply to this contract and the provisions of paragraph (b) of this clause are not applicable.

(D) Provides the rationale for project organization and resource allocation.

(ii) A graphic portion showing:

(A) Cumulative planned or budgeted costs of work scheduled for each reporting period over the life of the contract; and

(B) The planned start and completion dates of all planned and budgeted tasks and activities.

(2) *Progress reports.* Progress reports shall consist of:

(i) A narrative portion that:

(A) Provides a brief, concise summary of technical progress made and the costs incurred for each task during the reporting period; and (B) Identifies significant problems, or potential problems, their causes, proposed corrective actions, and the net effect on contract completion.

(ii) A graphic portion showing:

(A) The schedule status and degree of completion of the tasks, activities and deliverables shown in the baseline plan for the reporting period, including actual start and completion dates for all tasks and activities in the baseline plan;

(B) The costs incurred during the reporting period, the current total amount of costs incurred through the end date of the reporting period for budgeted work, and the projected costs required to complete the work under the contract.