

ARMY & AIR FORCE EXCHANGE SERVICE
SOLICITATION/PROPOSAL/AWARD
(MERCHANDISE, SUPPLIES, EQUIPMENT, AND/OR SERVICES)

ISSUING OFFICE ARMY & AIR FORCE EXCHANGE SERVICE ATTN: PL-Z (GORDON) 3911 S. Walton Walker Boulevard Dallas, TX 75236-1598	CONTRACTING OFFICER James S. Gordon	
	TELEPHONE NO. 214-312-2693	CONTRACT CONTROL NO. (If Applicable)
	ITEMS/SERVICE Germany Mobile Products / Services	

SOLICITATION FOR PROPOSALS

DATE ISSUED 15 Sep 2011	SOLICITATION NUMBER ATI 08-037-11-001
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Proposals are solicited for merchandise, supplies, equipment or services described in this solicitation. Written proposals must be received at the issuing office by 2:00 o'clock P m, local time 21 Oct 2011


PROPOSAL (To Be Completed By Offeror)

The offeror agrees, if awarded all or part of the items and/or services solicited, to furnish them according to the price(s)/fee(s), terms and conditions contained in the solicitation and proposal. This proposal will be valid for _____ calendar days (60 calendar days unless a different period is entered by offeror) after the date for receipt of proposals established above.

OFFEROR REPRESENTS (Check appropriate boxes)

- That it is is not a manufacturer or producer of; is is not a regular dealer in; the items provided or (Commodity contracts only).
- That it is is not engaged in furnishing of services of the type called for herein (Service contracts only).
- That it operates as an Individual Partnership Corporation, incorporated in the States or Country of Germany.
- That it is is not a small business.
- That it is is not a minority business enterprise. (See definition of page 2)*
- That it is is not a woman-owned business. (See definition of page 2)*
- That an owner or officer of the firm or the firm or a related firm has has not been convicted of a felony related to a business transaction.
- That an owner or officer of the firm or the firm or a related firm has has not been suspended or debarred.
- That the information provided is full, accurate and complete. For breach of this warranty. The Exchange may terminate for default any contract resulting from this solicitation and all other Exchange contracts.

*Check a block for all contracts to be performed in the United States, its possessions and Puerto Rico.

FULL NAME AND BUSINESS ADDRESS OF OFFEROR (STREET, CITY, STATE & ZIP CODE OR COUNTRY) SIGA telecom GmbH Frankenbacher Str. 13 74078 Heilbronn / Germany	TELEPHONE NUMBER/FAX NUMBER/EMAIL ADDRESS Tel.: 07131 / 203 83 15 Fax: 07131 / 203 83 9915 ayhan.sentuerk@sig24.de	
	SIGNATURE OF PERSON AUTHORIZED TO SIGN PROPOSAL 	DATE 13.10.2011
TIN:	DUNS: 329355882	TYPED OR PRINTED NAME AND TITLE Ayhan Sentürk, CEO

ACCEPTANCE AND AWARD (To Be Completed By the Exchange)

CONTRACT AWARDED FOR FOLLOWING:
Contract Awarded subject to solicitation amendment 1 to provide mobile telecommunication service in Germany. Exhibits K and L of the solicitation are hereby deleted. Contract period: 36 Months beginning 1 September 2012 and ending 31 Aug. 2015.
Fees: Postpaid Activations: €34.95* Postpaid Upgrades: €34.95* Airtime Residual Fees: 97%
Prepaid Kits: 65% Prepaid recharge/refill/cards: 98% Devices: 90% Accessories: 65%
*Postpaid activations & upgrades are listed as -€10 due to vendor paying network carrier tariff of €24.95, total value to Exchange is €34.95

CONTRACT NO. ATI 11-001	AMOUNT: <input checked="" type="checkbox"/> ESTIMATED \$ 34,000,000 <input type="checkbox"/> ACTUAL	DATE OF AWARD 4 January 2012
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SIGNATURE 	(TYPED NAME) James S. Gordon CONTRACTING OFFICER ARMY & AIR FORCE EXCHANGE SERVICE
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INSTRUCTIONS TO OFFERORS AND
CONDITIONS OF PROPOSAL/AWARDS
(Merchandise, Supplies, Equipment and/or Services)

1. CONTENTS OF SOLICITATION/CONTRACT:

This solicitation and any resulting contract consists of EXCHANGE FORM 4450-2, Solicitation/Proposal/Award Merchandise, Supplies, Equipment and/or Services), pages 1 thru 4, and the following listed Schedule and Exhibits.

- Schedule, Solicitation No. ATI 08-037-11-002 001 JW ,page(s) 1 through 9
- Exhibit A, General Provisions ,page(s) 1 through 12
- Exhibit B, Labor Provisions ,page(s) 1 through 1
- Exhibit C, Special Provisions ,page(s) 1 through 15
- Exhibit D, Price Schedule ,page(s) 1 through 2
- Exhibit E, Fee Schedule, with Attachment A (Pages 1-39) ,page(s) 1 through 5
- Exhibit F, Insurance ,page(s) 1 through 2
- Exhibit G, Performance Requirements ,page(s) 1 through 7
- Exhibit H, Installations ,page(s) 1 through 2
- Exhibit I, Concessionaire Furnished Equipment ,page(s) 1 through 6
- Exhibit J, Exchange Furnished Equipment ,page(s) 1 through 1
- Exhibit K, Instructions to Offerors ,page(s) 1 through 6
- Exhibit K, Instructions to Offerors, Attachment A ,page(s) 1 through 2
- Exhibit L, Evaluation for Award Criteria ,page(s) 1 through 2

2. SUBMISSION OF PROPOSALS:

~~a. Offerors have been provided one complete copy of the solicitation as identified above, and two proposal packages. Each proposal package consists of EXCHANGE FORM 4450-2, Solicitation/Proposal/Award pages 1 thru 4, and the schedule or exhibits listed below. Also, for contract awards, a Financial and Technical Capability Data Sheet and a Projected Operation Statement are included if checked below.~~

- ~~Financial and Technical Capability Data sheet, if checked.~~ ~~Operating Statement, if checked.~~

See Exhibit K, Instruction to Offerors for proposal submittal instructions

Exhibit ,page(s) through

Exhibit ,page(s) through

Exhibit ,page(s) through

~~b. To make a proposal, complete, sign and return two proposal packages.~~

3. DEFINITIONS:

a. The term "minority business" means a business concern (1) which is at least 51 percent owned by minority group members; or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more minority group members, and (2) whose management and daily business operations are controlled by one or more such minority group members. For purposes of this definition, minority group members include Black Americans, Hispanic Americans, Asian-Pacific Americans, Asian-Indian Americans, and Native Americans (such as American Indians, Eskimos, Aleuts and Native Hawaiians).

b. The term "women-owned business" means that is at least 51 percent owned by a woman or women who also control and operate it. "Control" in this context means exercising the power to make policy decisions. "Operate" in this context means being actively involved in the day-to-day management.

4. PROPOSAL PREPARATION:

- a. You are encouraged to contact the contracting officer if you have a question concerning this solicitation. Information about the solicitation furnished any prospective offeror will be furnished all prospective offerors.
- b. Furnish all information required by the solicitation on the forms provided. Failure to do so may result in the proposal being considered non-responsive and excluded from consideration for award.
- c. Erasures or changes must be initialed by the person signing the proposal.
- d. The person signing the proposal must have authority to obligate the firm contractually.
- e. Unless otherwise authorized by the solicitation, any alteration to the terms and conditions contained in the solicitation may render offeror's proposal non-responsive.

5. **SUBMISSION** - Proposals and modifications, if any, must be sent in a sealed envelope addressed to the issuing office with the offer's name (for identification only) and the solicitation number on the front. Telegraphic proposals will NOT be considered unless authorized in the solicitation; however, proposals may be modified by telegraphic notice provided it is received before the time and date set for receipt of proposals.

6. **LATE PROPOSALS** - The Exchange reserves the right to consider proposals or modifications received late, but before award is made, should such action be to the Exchange advantage.

7. **WITHDRAWAL** - Proposals may be withdrawn by written notice or telegram received at any time prior to award.

8. **NO PROPOSAL** - If you don't submit a proposal, DO NOT return the solicitation or proposal packages unless instructed to elsewhere in the solicitation. However, please send us a letter or postcard telling us if you're interested in receiving future solicitations for this type of items or services.

9. ELIGIBILITY OF PROPOSED CONTRACTOR (S):

a. **Proposals for merchandise, supplies or equipment will not be considered for award unless submitted by manufacturers or producers of, prime sources, or regular dealers, in the items required.**

b. Proposals for services will not be considered unless submitted by persons or firms who, currently or within the preceding six (6) years, have successfully owned, operated, or managed in a full time capacity, for over twelve consecutive months, a business identical or having similar technical and operational characteristics as the service solicited. The phrase operated or managed means the offeror has/had a direct involvement in the day-to-day operation of the business to include responsibility for employment, supervision, scheduling production/services, payroll, and purchasing. The monthly sales volume of the offeror's business must equal or exceed the estimated monthly sales of the proposed concession activity. The Exchange reserves the right to waive all or part of the qualification requirements in the event it is determined to be in the Exchange's best interests.

c. Proposals will not be considered if submitted by brokers, active duty military personnel or U.S. Government employees. This prohibition includes immediate family members of these personnel residing in the same household, unless approved before award of contract.

d. The offeror must have adequate resources to perform the resulting contract and, upon request, furnish proof of same to the contracting officer. The contracting officer may request a financial statement, a cost breakdown, a projected operating statement, or other data from any offeror. Failure to furnish the data requested within the time specified may cause a firm to be determined non-responsive. The Exchange further reserves the right to determine the responsibility of the offerors based on factors including but not limited to the offeror's financial resources, business capacity, performance record, integrity, management/business acumen, technical ability and facilities/equipment.

10. **DISCOUNTS** (Not applicable to procurements of edible meat, meat food products, dairy products, edible fats or oils, or concession services.) - Prompt payment discounts will be included in the evaluation of proposals provided the period of the offered discount is 20 days or more. Even if not evaluated for award, all discount terms offered will become a part of any resulting contract.

11. ACCEPTANCE AND AWARD

a. **The Exchange reserves the right to reject any or all proposals, to waive or correct informalities and minor irregularities in proposals received, and to conduct further negotiations with any or all offerors.**

b. Unless otherwise stated in the solicitation (and in the absence of any express limitation made by the offeror), the Exchange may accept all or any part of any proposal, without further negotiations. Proposals should therefore contain the offeror's most favorable terms. Any further negotiations undertaken will not constitute a rejection or counteroffer on the part of the Exchange.

c. When quantities for merchandise, supplies or equipment stated in the solicitation are estimated, the Exchange reserves the right to make an award on any item for the quantity less than the quantity proposed at the unit price offered unless the offeror's proposal specifies otherwise.

d. The Exchange plans to award a contract to the responsive, responsible offeror whose proposal is best for the Exchange, price/fee and other factors set out in the solicitation considered. The Exchange reserves the right to accept other than the lowest proposal, and to make multiple awards unless otherwise provided in the Schedule.

e. Contracting Officer will award the contract by completing the "ACCEPTANCE AND AWARD" block on page 1, signing the contract, obtaining any approvals required by the Exchange directives, and mailing or otherwise furnishing the successful offeror a copy of the completed contract within the time allowed for acceptance of the offeror.

12. INCONSISTENCIES - In the event of an inconsistency between the provisions of this solicitation, the inconsistency will be resolved by giving precedence in the following order: (a) the Schedule; (b) Instructions to Offerors and Conditions of Proposals/Awards; (c) General Provisions; (d) Other provisions of the contract whether incorporated by reference or otherwise; (e) the Specifications; and (f) the Drawings.

13. CERTIFICATE OF INDEPENDENT PROPOSAL DETERMINATION - Offeror certifies that this proposal or any change thereto is made without consultation, communication, or agreement, for the purpose of restricting competition or manipulating awards, and this proposal has not been disclosed and will not be disclosed prior to award.

14. PROPRIETARY INFORMATION - The Exchange will not be bound by any language in any offer purporting to limit the Exchange's right to use or disclose any offer or any part of an offer because of proprietary information in it, unless the contracting officer specifically agrees in writing to such limitations.

15. TAXPAYER IDENTIFYING NUMBER (TIN) - The 9-digit TIN is an identifier required of all individuals and businesses that file tax returns in the United States. For individuals eligible for a social security number (SSN), the SSN assigned by the Social Security Administration serves as the TIN. For resident or non-resident aliens ineligible for a SSN, the individual taxpayer identification number (ITIN) assigned by the IRS serves as the TIN. The Employer Identification Number (EIN) assigned by the IRS serves as the TIN for businesses and entities other than individuals. Failure to provide the TIN may result in a proposal being found non-responsive and not further considered for award.

AMENDMENT OF SOLICITATION/CONTRACT (AGREEMENT)

1. AMENDMENT OF: SOLICITATION CONTRACT (AGREEMENT)

SOLICITATION/CONTRACT NUMBER ATI 08-037-11-001	AMENDMENT NUMBER One (1)	CONTRACT CONTROL NO. (If Applicable)
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2. IF A SOLICITATION AMENDMENT

Refer to Section I "Instructions to Offerors" on reverse of this form and the following as indicated:

a. The time and date specified for receipt of proposals is:

Not extended

Extended until (local time at place of receipt of proposals)

Hour _____ Date _____

_____ M, _____

b. The above solicitation is modified as set forth in Block 4 below.

3. IF A CONTRACT AMENDMENT

Refer to Section II "Instructions to Contractors" on reverse of this form and the following as indicated:

a. The expiration date of the above CONTRACT is changed:

FROM _____ TO _____

b. The above CONTRACT is:

Not further modified.

Modified as set forth in Block 4 below.

4. DESCRIPTION OF AMENDMENT.

a. SUMMARY: Solicitation Amendment One (1) is issued for the purpose of providing the Exchange response to vendor questions and revising one portion of the solicitation as indicated in this section.

b. Questions/Answers, shown herein as Attachment One (1), consisting of four pages, is made part of this solicitation.

c. Exhibit G, paragraph 24, subparagraph a, is deleted in its entirety.

//////////////////////////////////// Last Item //////////////////////////////////////

IN ALL OTHER RESPECTS, THE TERMS AND CONDITIONS OF THE SOLICITATION/CONTRACT, AS AMENDED, REMAIN IN FULL FORCE AND EFFECT.

SIGNATURES

5. NAME AND ADDRESS OF OFFEROR/CONTRACTOR (Street, City, County, State, and Zip Code) SIGA telecom GmbH Frankenbacher Str. 13 74078 Heilbronn Germany		6. ISSUED BY Army and Air Force Exchange Service Attn: PL-Z (Walker) 3911 S. Walton Walker Blvd. Dallas, TX 75236-1598	
SIGNATURE OF PERSON AUTHORIZED TO SIGN <i>Ayhan Sentürk</i>	DATE	SIGNATURE OF CONTRACTING OFFICER <i>James Ballard</i>	DATE 30SEP11
TYPED OR PRINTED NAME AND TITLE Ayhan Sentürk, CEO		TYPED OR PRINTED NAME OF CONTRACTING OFFICER James Ballard	

SECTION I

Instructions to Offerors – Amendment of Solicitation. The following instructions apply unless specified otherwise in an Exchange letter accompanying this amendment.

a. Offerors must acknowledge receipt of this amendment prior to the hour and date specified for receipt of proposals in the original solicitation, or the hour and date specified in this amendment if such has been amended. Offeror must acknowledge by one of the following means:

- (1) By signing and returning all except one copy of this amendment.
- (2) By acknowledging receipt of this amendment on each copy of the proposal submitted;
- (3) By separate letter or telegram which includes a reference to the solicitation and amendment number.

b. Proposals must be based upon and refer to the solicitation as amended. Unless an acknowledgment of this amendment is received by the contracting officer before the hour and date specified for receipt of proposals, offeror's proposal may be considered nonresponsive.

c. If you desire to revise a proposal previously submitted, such revision must be received prior to the hour and date specified for receipt of proposals enclosed in a sealed envelope addressed to the issuing office, with the name and address of the offeror and the solicitation number on the face of the envelope. Telegraphic proposals will not be considered unless authorized by the solicitation; however, proposals may be modified by telegraphic notice provided such notice is received prior to the time set for receipt of proposals. Telegraphic modifications should not reveal the amount of the original or of the revised proposal.

SECTION II

Instructions to Contractor – Amendment of Contract.

Unless otherwise instructed, all except one copy of this amendment are to be executed by the person authorized to bind the firm contractually and returned to the contracting officer. The effective date will be the date the amendment is signed in block 6 by the contracting officer or the date(s) indicated in block 4, whichever is later.

Item No.	Reference	Question/Concern	Exchange Response	Impact (to RFP)
1	Form 4450-002. Para 15, TIN	On the cover sheet (Form 4450-002) it is asked for a TIN number, what is the taxpayer identifying number. In this part we are non-resident aliens for a SSN. Does this mean we need to get an ITIN at the IRS or does the sales tax identification number work for that as well? Because we are a German company so usually we are supposed to pay our taxes to the German government and we accept VAT-Forms, so this is the usual standard, correct?	The 9-digit Taxpayer Identifying Number (TIN) is an identifier required of all individuals and businesses that file tax returns in the United States. For non United States companies that do not pay taxes to the United States government the TIN box on form 4450-002 may be left blank.	No change
2	Schedule. Para 3, Future Expansion	What criteria will the Exchange use to determine if the current contractor can't fulfill the Exchange telecommunications requirements? (That would warrant/allow the issue of another solicitation)	Criteria may include unsuccessful negotiations with the incumbent regarding the expansion opportunity or poor carrier coverage in the new area.	No change
3	Schedule. Para 3, Future Expansion	If another solicitation is made, would the incumbent contractor be precluded from responding? (may require new terms)	The incumbent is typically included as a potential provider in the new effort unless conditions of exclusion exist, e.g. poor performance, Command objection, debarment, etc.	No change
4	Schedule. Para 3, Future Expansion	What are the other types of permissible methods the Exchange can/would pursue to fulfill its telecom requirements?	Other types of permissible methods that could be considered are those resulting from alternate business models or new technologies.	No change
5	Schedule. Para 3, Future Expansion	Before the Exchange issues a solicitation or takes a sole discretion action to fulfill its telecom requirement of mobile services, will the incumbent be made formally aware of the requirement with time to evaluate/respond to meet the obligation?	The Exchange may elect to negotiate with the incumbent for expansion of services within Germany; however, the procurement approach and associated timeline will be determined by circumstances surrounding the requirement. The Exchange will act in its best interest.	No change
6	Schedule. Para 6, Business Risk	Exhibit H contains several installations that are known to be closing during the contract term. Does the concessionaire also have to carry the business risk referred to in Schedule 6 for these installations?	Yes, the business risk requirements stated in paragraph 6 of the Schedule applies to all locations listed in Exhibit H, however, the Exchange intends to work with the concessionaire to minimize risk. The following bases have been identified as closing: Mainz-Kastel, Heidelberg, Mannheim, Bamberg and Schweinfurt.	No change
7	Schedule. Para 6, Business Risk	If the concessionaire has to carry the risk for investments on its own, and the Exchange can terminate the contract within 90 days (ref. Exhibit A 8.b) or take an installation out of the contract due to closure (ref. Exhibit A 8.c), who will cover the amortized costs of shop equipment?	Either party has a right to terminate in part or in whole upon 90 days written notice. The concessionaire will be responsible for the amortized shop equipment costs; however, the Exchange intends to work with the concessionaire to minimize risk.	No change
8	Schedule. Para 6, Business Risk	Will The Exchange provide information about troop movements e.g. deployments, redeployments?	The Exchange will work with the concessionaire to the fullest extent possible concerning troop movements; however, military sensitive information may be unavailable for public release.	No change
9	Schedule. Para 9 f, Use of Contract by other Federal Entities	Can the review / evaluation period be expanded to more than one day? Depending on the scope of the requirement, more than one day may be needed to complete a thorough evaluation /determination	Paragraph f states that the concessionaire will advise the Federal Entity within 1 business day after they determine that they are unable to fulfill the requirement. A review/ evaluation period must occur before reaching the determination of not being able to fulfill the requirement. The concessionaire will notify the Exchange within 1 day of this determination.	No change
10	Schedule. Para 11, Exchange's Proceeds	Since this clause states that payments made by the service member are proceeds of the official procurement agency (government); does this mean that VAT (taxes) are exempt?	Yes, payments made by the service member are regarded as proceeds of the official procurement agency (the Exchange); these transactions/proceeds are considered exempt from VAT.	No change
11	Schedule. Para 11, Exchange's Proceeds	What is the legal/regulatory authority that will allow for this? (This clause may contradict earlier clause regarding payments & fees.)	The regulatory authority originates from the 22 Dec 2004 decree issued by the German Ministry of Finance.	No change
12	Exhibit C. Para 15.b, Concessionaire Employees	Is it allowed to the Concessionaire to offer jobs to family members of active duties or is this not wanted from AAFES?	It is acceptable for the concessionaire to offer employment to family members of active duty personnel.	No change

Item No.	Reference	Question/Concern	Exchange Response	Impact (to RFP)
13	Exhibit C. Para 19 b, Promotional Events, Exchange Directed Promotions	Will the concessionaire have to participate in Exchange sponsored promotion from the Exchange Mobile Centers in the US? (This needs caution as the agreements for cell phone hardware and calling plans are significantly different and can be confusing to the customer. If participation is required, or needed to satisfy a customer, what provisions are available to offset the additional cost/loss?)	This paragraph 19.b does not state "... from the Exchange Mobile Centers in the US" and has no connotation outside of the scope of the contract.	No change
14	Exhibit C. Para 19 b. 4 b, Europe Special Provisions	Does the concessionaire have to reduce its prices during Exchange promotions, but still pay the full concession fee as it would be for the regular sales price?	Yes.	No change
15	Exhibit D. Para 1. Price Schedule	Will the Exchange continue to offer competing products in the local PX and Power Zone e.g. Vodafone pre-paid phones?	Yes.	No change
16	Exhibit D. Para 1, Price Schedule	The minimum of the carriers we need to offer is Vodafone and T-Mobile. Is it possible to offer more? Or is it not wanted from AAFES to offer especially O2 (Telefonica) and maybe EPlus additionally to the 2 main ones?	The offer may include Optional provider(s) as indicated in Exhibit E - Fee Schedule, paragraph 8 - ("List of Carriers to be provided").	No change
17	Exhibit E. Para 7a. Fee schedule	Are "all voice and data plans" pre-paid and post-paid or just post-paid? (Activation fee is not applicable for pre-paid kits and cards.)	Both pre-paid and post-paid.	No change
18	Exhibit E. Para 7.a, Fee Schedule	Activation Fee as explained in Exhibit E, Fee Schedule: 7a. asks for a monthly or Unit fee to be determined for New Activations. It also states that this fee will be paid to the Concessionaire. Is this a misprint?	On new activation and post-paid upgrades a flat fee denominated in Euros is to be paid by the concessionaire to the Exchange for each occurrence. This is accomplished by reconciliation in the monthly settlement. All other fees are in percent and are to be paid to the concessionaire by the Exchange.	No change
19	Exhibit E. Para 7a-g, Fee Schedule	Can you please give examples for the pursuant services?	A chart of examples of customer charges is provided in Exh. D, paragraph 2.	No change
20	Exhibit E. Para 7a-g, Fee Schedule	Exhibit D - Fee Schedule E: For the positions a) New activation and position b) Post Paid Upgrades there is needed the information how much we want to get per any post paid activation. Does this mean we get this fee for every activation for a post paid contract additionally the 24,95 EUR start up fee? We have for the activations different earnings of commissions depending on the chosen tariff, so in this part for both parties of the contract usually it makes more sense to choose a percentage fee instead of a EUR fee per activation. Did I understand that correct? So can I change the EUR sign into a % sign per unit and in the end we get the amount of the percentage I have chosen per unit and the rest of the commission earning is for AAFES? And the same is with point c) till g). The fee for us will always be that percentage part we tell you in Exhibit E?	No. Bid currency regardless of carrier or concessionaire promotions. The Exchange will receive the fee as bid.	No change
21	Exhibit E. Para 11 - Sample, Fee Schedule	The glossary in the Schedule (13.) describes the Activation fee as Anschlussgebühr. However, in the calculation, Activation fee seems to be used as Commission which will be deducted from Gross sales. Is this correct?	Gross Sales are daily cash turn-in to the Exchange. Activations and Upgrades are reconciled in monthly settlement, not part of turn-in; consequently, are not deducted from the gross sales paid to the Exchange. Of Gross Sales, the Exchange will pass on amounts to the concessionaire, less activation/upgrade. The deduction is settlement simplification (reconciliation) of the activation/upgrade as bid.	No change
22	Exhibit E. Para 11 - Sample, Fee Schedule	[Regarding] the provisions in Exhibit E, Fee Schedule in relation to the following SAMPLE calculation. Airtime: Are you asking us to estimate the commission for Airtime on a monthly basis? You are aware, that Airtime is paid on a quarterly basis to Distributors (Concessionaires). Would you prefer for us to estimate on a monthly basis?	Bid per Exhibit E. The Exchange will evaluate bids on an estimated monthly volume and determine high fee proposals.	No change

Item No.	Reference	Question/Concern	Exchange Response	Impact (to RFP)
23	Exhibit F. Insurance	Which insurance companies are acceptable to the Exchange? Is there a list available, where we can choose a company from? Is there a company preferred because of good cooperation experience in the past?	Chartis is an Exchange approved insurance company. Other companies providing the same coverage for less cost is also acceptable.	No change
24	Exhibit G. Para. 5. Performance Requirement	Does the contractor have to guarantee a mobile activation within 15-45 minutes even though he cannot influence the activation processes and times of the respective mobile service carrier?	The contractor will need to perform new activations and upgrades, on average, within 15-45 minutes from the time the customer decides to purchase. The Exchange understands that there will be certain circumstances beyond the control of the contractor, such as network disruptions etc, that may affect this time requirement, but these will be the exception.	No change
25	Exhibit G. Para. 7. Stock Assortment	Considering the additional services requested, will the Exchange provide adequate floor space and storage space to ensure that a sufficient amount of handsets and accessories can be displayed and stocked? Will the storefront be in a highly visible location. Who is deciding?	Reference section 13.c - space, location, format etc decisions will be made by each Exchange location and the HQ business group. Additional storage may be available, as determined by local Exchange management.	No change
26	Exhibit G. Para 9. Performance Requirements	Clause should be deleted since it is very difficult to hold the concessionaire liable for technology changes/ implementations of a major carrier and require the concessionaire to refund the residual value to the customer. The concessionaire does not have any influence on the major carriers in regards to their technology change/ implementation policies.	Paragraph 9 is designed to protect Exchange customers from devices becoming non-functional. This paragraph applies only if a new technology is introduced that requires the customer to purchase additional or new equipment in order to continue experiencing the service they originally purchased.	No change
27	Exhibit G. Para 11. Performance Requirements	Is there a ratio/percentage or minimum number of live units that must be functional?	The requirement is that the concessionaire will be required to provide live units, when available in the market.	No change
28	Exhibit G. Para 19 b. Performance Requirements,	What are the requirements to participate in a cooperative advertising campaign, if the concessionaire has an adequate marketing department? How will amount of funds required be calculated?	Participation in marketing to the military community using Exchange marketing channels is optional. If the concessionaire elects to participate, funds to cover the associated costs will be determined by mutual agreement.	No change
29	Exhibit G. Para 19 b. Performance Requirements,	Is this requirement predicated on the receipt of cooperative advertising funds from the manufacturers/phone providers?	No.	No change
30	Exhibit G. Para 24. Performance Requirements, Inconvenience/ Contract Cancellation Costs	The terms for contract cancellation based on PCS orders appear problematic. What level of protection should the concessionaire be liable for when a customer can make a purchase decision knowing they might have a pending PCS?	Concessionaire may negotiate balance of remaining device liability with customer. Customers with valid PCS orders have the right to terminate service agreements at no cost. The concessionaire is authorized to request documentation that PCS orders were received after service agreement activation. The concessionaire is responsible for all costs associated with closing all carrier service agreements. If orders were received prior to activation, the customer is responsible for all customary penalties associated with early termination.	Exhibit G, paragraph 24, subparagraph a is deleted.
31	Exhibit G. Para 24. Performance Requirements, Inconvenience/ Contract Cancellation Costs	None of the major carriers have an official clause allowing canceling a 24 month contract without penalty based on PCS orders. Does the concessionaire have to pay the penalty fees of the respective mobile provider so the customer with PCS or TDY orders can be released without charges?	See answer to question #30.	No change
32	Exhibit G. Para 26 a-b. Performance Requirement	Does the concessionaire have to cover the penalty fees of the mobile provider so the customer can, without costs, return his/her used and therefore no longer resalable devices?	Yes; the concessionaire must provide a 30 day exchange policy.	No change

Item No.	Reference	Question/Concern	Exchange Response	Impact (to RFP)
33	Exhibit G. Para 31, Performance Requirements	Is it correct, that when we accept the Military Star Card, that we will get this Verifone Machine from AAFES and this is like the credit card machines needed for the customer to pay with their credit Card? Or is there needed something else than that for the acceptance of the Military Star Card?	Reference Schedule paragraph 13 - Glossary, Exhibit C, section 24 and Exhibit J - Exchange Furnished Equipment. Yes, the Exchange will provide one VeriFone device at each location except Kaiserslautern (Vogelweh) This is for use only with the Military Star Card, which is the Exchange's proprietary, private label credit card.	No change
34	Exhibit H. Para 34. Installations	What is the status/timeline of base closure locations?	Approximate dates are: Mainz-Kastel - 2014 Heidelberg - 2014 Mannheim - 2012 Schweinfurt - 2014	No change
35	Exhibit H. Para 34. Installations	Will German or American holidays be honoured?	Reference Exhibit C, section 2: (depends on location) – If the nearby Exchange is open on a holiday, the concession must also be open during the same hours. If the nearby exchange is closed on a holiday, the concession may also choose to remain closed.	No change
36	Exhibit I. Para 1. Concessionair e Furnished Equipment	Will the monthly cost occurring e.g. rent, for providing a location in Kaiserslautern Vogelweh be deductible from the fees?	No.	No change
37	Exhibit K. Para 1.I, ITO	Will the bidding parties for the solicitation be published?	Names of bidding parties will not be released.	No change
38	Exhibit K. Para 1.r and 2.a.iii. ITO	For the solicitation there is also our performance needed as a P&L evaluation. Our P&L evaluation got all created on DATEV, which is one of the standard programs the german tax advisers are using to create the P & L. But for the application all documents are required in English and we want to send in all the information in English, but this program doesn't have the function to change the language. So in this part, is this working to send you the P&L paperwork from DATEV in german with a correct translation into English on a separate page with a stamp from our tax adviser?	For this document only, it is acceptable for the concessionaire to submit their P & L documents in German provided that the complete English translation, certified/stamped by their tax advisor, is attached.	No change

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1. **Purpose:** To establish a contract with the Exchange for the resale of mobile telecommunication services on US Army and Air Force Installations in Germany. These primarily include US Army and US Air Force Installations; however, may include other Installations pursuant to the Use of Contract by Other Federal Entities clause. Activities include sale of those items identified in Exhibit D, Price Schedule. At a minimum those services/products include: a) prepaid and post paid mobile telecommunication voice and data plans from multiple carriers; b) mobile devices from multiple carriers; c) mobile prepaid airtime cards, SIM Cards and Modem Air Cards from multiple carriers. Concessionaire services required under this contract will be provided through concessionaire staffed sales storefronts or kiosks formats in an Exchange retail store.

NOTE: With regards to multiple carriers referenced above, at a minimum, the Concessionaire shall offer a multi-carrier solution that includes both Vodafone and T-Mobile at all Installations authorized in Exhibit H, Installations.

2. **Contract Period:** Service under this contract will commence at all Installations identified in Exhibit H, Installations, no later than 1 September 2012 and end on 31 August 2015 unless sooner terminated according to Exhibit A, General Provisions. Commencement date will be mutually agreed upon between the parties. The Exchange may elect to extend this contract for two (2)-12 month extensions. No representation that this contract will be extended beyond its original period is binding on the Exchange, unless signed in writing by both the contractor and contracting officer. In no event will the contract period exceed five (5) years from the date established above for commencement of service.
3. **Future Expansion:** The Exchange may elect to negotiate with the successful Offeror to expand telecommunications services within Germany to other military Installations without further solicitation. This may include other Installations pursuant to the Use of Contract by Other Federal Entities clause without further solicitation, if deemed to be in the Exchange's best interest. Expansion to other Installations will be subject to the same terms, conditions and fees as are in this contract. However, the Exchange reserves the right to issue future solicitations or pursue other permissible methods at the Exchange's sole discretion, to fulfill its telecommunication requirements.
4. **Conflict of Exchange Contract and Tariffs/Regulations:** Any contract award resulting from this solicitation may be subject to applicable statutes, tariffs, and regulations pursuant to the filing of any tariff or tariff revisions affecting such contract. The Concessionaire will provide the Contracting Officer with notice of such statutes or proposed tariff revisions affecting this contract. It is recognized that in the event of a conflict between the Exchange contract and applicable statutes, tariffs, and regulations, that such regulations will be controlling.
5. **Business Permit:** Concessionaire certifies by submission of proposal and/or acceptance of a contract that they have/will obtain all necessary permits and licenses relative to operating in the country in which contract will be performed, either prior to contract commencement or

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- submittal of proposal (proposal due date), whichever is indicated in the solicitation, Exhibit K, Instructions to Offerors. The burden of determining applicability of host country business requirements is strictly Concessionaire's responsibility, and will not give rise to any claim against the Exchange or a basis for adjusting terms and conditions of the contract.
6. **Business Risk:** Concessionaire agrees all business risk remains with the Concessionaire. Business risk includes, but is not limited to, Concessionaire's investment in equipment, furnishings, supplies, permits and licenses, employee wages, and lost sales, income and profit resulting from, to include but not limited to, all operational changes, bases realignments and closures, or contract termination.
 7. **Additional Services:** After award of the contract additional customer services/products, to include emerging telecommunications technologies or other services/products, may be added to the contract via contract amendment, as they become available in the market place and are approved by the Contracting Officer.
 8. **Conflict of Exchange Contract and Host Country Laws, Rules, Regulations, and Codes:** The Concessionaire and all subcontractors shall ensure that all products and services offered under this contract comply with applicable host country laws, rules, regulations and codes. The Concessionaire shall also indemnify the Exchange from any violations of host country laws, rules, regulations and codes and any claim of patent, trademark, service mark or copyright infringement by third parties.
 9. **Use of Contract by Other Federal Entities:**
 - a. Federal Statute and Department of Defense (DoD) Procurement Policy encourage DoD Non-appropriated fund Instrumentalities (NAFIs) to enter into contracts or other agreements with other Federal Government entities, where it is advantageous to do so. It is solely within the discretion of each entity to decide whether or not to participate.
 - b. This is a Non-appropriated fund (NAF) contract.
 - c. The prices, costs, rates, commissions/fees, terms and conditions and any other contract provision are non-negotiable absent modification, change or amendment by an authorized contracting officer of the NAFI that issued this contract.
 - d. Any dispute and/or claim shall be submitted to the NAF contracting office that issued this contract for any required adjudication. Any issue between another Federal Entity authorized to use this contract (other than the NAFI that issued this contract) and the Concessionaire, which cannot be resolved without formal action by the Contracting Officer (e.g. delivery/task order, modification, final decision letter, termination action, etc.) will be referred to the Contracting Officer of the NAFI that issued this contract for action. Any issue that appears to require formal contract action, and/or that is a potential dispute or claim will be brought to the attention of the Contracting Officer of the NAFI that issued this contract.

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- e. Regardless of which Federal Entity receives services under this contract, the Concessionaire shall perform the contract requirements in accordance with this contract. The terms and conditions of this contract shall apply to all performance under this contract, without regard to differences in Federal Entity, delivery or performance site, location or facility, etc.
- f. If the Concessionaire cannot fulfill the requirements of another Federal Entity authorized to use this contract, regardless of reason, the Concessionaire shall immediately advise the respective Federal Entity. Generally, such notice shall be provided within one (1) business day of the date and time the Concessionaire is aware (or should have been aware) that the requirement could not be fulfilled.
- g. The sites, locations, or facilities identified herein as being required in this contract are not all inclusive of the number of sites, Installations, locations, or facilities that may be added in the future; however, this contract does not create a right of first refusal and does not require, guarantee, or imply the addition of any sites, locations, or facilities to this contract. Additional sites, locations, or facilities that are not listed in the contract may only be added to the contract by contract modification by authorized Contracting Officer of the NAFI that issued this contract.
- h. No additional quantities, sites, Installations, locations, or facilities are guaranteed or implied as a result of this clause.
- i. Other Federal entities authorized to use this contract to fulfill requirements include:
 - 1. Army and Air force Exchange Service (AAFES), now known as the Exchange,
 - 2. US Army Installation Management Command, G-9, Family and Morale, Welfare and Recreation Programs (IMCOM G9 Family and MWR Programs),
 - 3. Air Force Non-appropriated fund Purchasing Office (AFNAFPO),
 - 4. U.S. Marine Corps Personal and Family Readiness Division (MR) and Marine Corps Community Services (MCCS)
 - 5. Navy Exchange Command (NEXCOM) and Navy Exchange System (NES),
 - 6. Commander, Navy Installations Command (CNIC), Fleet and Family Readiness (F&FR)
 - 7. Coast Guard Exchange system (CGES); and
 - 8. Other Federal activities not specifically named in this contract.
- j. More favorable prices costs, rates, commissions, fees, terms and conditions than reflected in this contract may be offered by the Concessionaire to the various other Federal Entities and/or negotiated by the other Federal Entities, based upon economic factors that support such mutually agreed to arrangements, provided that:
 - 1. Any such agreement is made in writing; and
 - 2. A complete copy of any such agreement is given to the Contracting Officer of the NAFI that issued the contract, prior to performance.

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- k. The NAFI that issued this contract is not responsible or liable for payment related to another Federal Entity. The other Federal Entity that received products and/or services is solely responsible for payment in accordance with applicable Federal laws.
 - l. On a quarterly basis (15 Jan, 15 Apr, 15 Jul, 15 Oct), unless a different reporting requirement is specified elsewhere in the contract, the Concessionaire shall provide the Contracting Officer with a written report recapping all performance for all entities that have placed orders during the preceding quarter.
10. **Transition to the Exchange:** The Army and Air Force Exchange Service (AAFES) is transitioning to a new corporate logo and commercial name (as used in commerce) the "Exchange". Our legal name remains the Army and Air Force Exchange Service and the "AAFES" acronym still exists. However we are in the process of replacing it with the "Exchange". This clause authorizes the substitution of the word "Exchange" where the "AAFES" acronym exists, except in the case of "Commander, AAFES" which is changed to "Commander, Army and Air Force Exchange Service.
11. **Exchange's Proceeds:** The fee to the concessionaire for each service for all locations is fixed in Exhibit E, Fee Schedule. For tax purposes, the concessionaire is providing service to the official procurement agency / Exchange and payments made to the concessionaire by the service member are proceeds of the official procurement agency, which are merely taken in a fiduciary capacity by the concessionaire and have to be fully credited to the official procurement agency / the Exchange.
12. **Alterations:**
- a. **Delete: 29. UNSPC Item Category Identifiers (AUG 09):** Delete this clause from Exhibit A, General Provisions in its entirety.
 - b. **Delete: 2. FACILITIES/MAINTENANCE/OPERATING HOURS (APR 05), PARAGRAPH E:** Delete this paragraph from Exhibit C, Europe Special Provisions Telecommunication Concession Contracts in its entirety and REPLACE WITH THE FOLLOWING:
 - e. Concessionaire shall comply with the locations and posted operating hours for each concession as defined below. Posted operating hours are those that will be displayed at the facility. However, each facility will be open for business at least 5 minutes before posted opening, and will remain open at least 5 minutes past posted closing, as in the following example: POSTED Hours of Operation 1000–1800; ACTUAL Hours of Operation 0955–1805. The term "open for business" means ready to serve the customer. Activities such as preparing cash registers and sales forms will be accomplished prior to actual opening. Facilities will be open for business at all times during scheduled operating hours, except that facilities with only one employee may close for a 30-minute lunch break. Nevertheless, lunch breaks will not be taken between 1130 – 1300 hours. The operating hours may be changed by written agreement between the Concessionaire and the local general manager.

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If Concessionaire and General Manager cannot agree on changes to the hours of operation, the issue will be submitted to the Contracting Officer for resolution. Hours of operation for facilities not located near exchange activities are fixed and may only be changed by written amendment to the contract. Concession will be open on days the exchange is open. This may include local national and American Holidays. On those days when the concession is not required to be open, a toll free telephone number will be provide for customer assistance.

c. **Delete: 19. PROMOTIONAL EVENTS (APR 05), PARAGRAPH a. (2):** Delete this paragraph from Exhibit C, Europe Special Provisions Telecommunications Concession Contracts in its entirety and replace with :

“ (2) The cost of a telecommunication providers directed or Concessionaire sponsored promotions will be borne by the Concessionaire. Fees payable by the Exchange (Gross Sales) will be based on regular sale price less any discount or fee items customers are entitled to resulting from redeeming coupons.”

d. **Delete: 30. PRICES (MAY 99), PARAGRAPH C:** Delete this paragraph from Exhibit C, Europe Special Provisions Telecommunications Concession Contracts in its entirety.

e. **Delete: 31. PRICE/FEE REVISION (JAN 87):** Delete this clause from Exhibit C, Special Provisions in its entirety.

13. **Glossary:** The terms contained herein are defined for purposes of this contract. If the definition of a term conflicts with general usage, the definition in this Exhibit or within this contract controls.

AAFES: Army & Air Force Exchange Service now known as the Exchange.

Activation Fee: One-time fee for initial connection or setup to the mobile system of a network carrier - otherwise known as a connection fee, initial fee, etc. In German, it can be referred to as an Anfangsgebühr, Anschlussgebühr, Anschlusspreis, Aktivierungsgebühr, etc.

ATD: Advanced Telecommunications Division – This is the Exchange commercial telecommunications support group.

Bandwidth: For the purposes of this contract, bandwidth refers to the amount of data transferred (measured in bytes), not the speed in which the data is transferred or data transfer rate (measured in bits).

Bit: A bit (binary digit) is a digit in the binary numeral system, which consists of base 2 digits (i.e., there are only two possible values for each digit, viz. 0 or 1). For example, the number

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10010111 is 8 bits long. Binary digits are almost always used as the basic unit of information storage and communication in digital computing.

Bit rate: In telecommunications and computing, bit rate is the number of bits that are conveyed or processed per unit of time. Bit rate is often used as synonym to the terms connection speed and transfer rate (or data transfer rate).

Byte: A series of 8 physical bits representing a character (letter, number, punctuation mark, or control character).

CAPEX: Capital Expenditures.

Concessionaire: Vendor, offeror, provider, contractor, and supplier may be used through this solicitation interchangeably. A Concessionaire is defined as a single business entity that is responding to this solicitation.

Data Transfer Rate: In telecommunications, data transfer rate, or just transfer rate, is the peak number of bits, characters, or blocks per unit time passing between equipment in a data transmission system. For the purposes of this contract, data transfer rate is simply the peak amount of data that can be carried from one point to another in a given time period (usually a second). For the purposes of this contract, this kind of data transfer rate is expressed in bits (of data) per second (bps). The data rate is the maximum or loss free rate that a communications channel can achieve and differs from "Through-put". (See "Through-put")

Data Transmission: Sending a stream of bits from one location to another using any number of technologies, such as copper wire, optical fiber, laser, radio or infra-red light. Practical examples include moving data from one storage device to another and accessing a website, which involves data transfer from web servers to a user's browser.

Download Speed: This is the speed the download and is measured in Kilo Bits per Second.

Installation: as referred to as Base or Camp, Post, or Site. An area of land akin to a city but is directly owned and/or operated by one or more of the Military Services (Army, Navy, Air Force, Marines). It includes facilities that shelter military equipment and personnel, and facilitates training and operations. Larger Installations have a wide variety of retail and entertainment facilities. Such terms does not include any facility used primarily for civil works, rivers and harbors projects, flood control, or other projects under the primary jurisdiction or control of the Department of Defense.

Installed: Refers to the physical Installation of equipment and infrastructure necessary to provide required services.

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Internet Speed: Synonymous with "data transfer rate".

ISP: Internet Service Provider.

kbps: For the purposes of this contract, a kilobit per second (kbps) is defined as a unit of data transfer rate equal to 1,024 bits per second (using the binary meaning).

Kiosk Format: a temporary freestanding retail selling structure located in the mall, PowerZone, or other retail selling space that is adjacent to a main store. The kiosk will be used to display and sell wireless services/ products to the Exchange's customers. Size constants are determined by fire egress code and typically are 10x10 or 10x14 with a square footage up to 140 square feet with capability of lighted cabinets and inventory storage and ability to show operable products on display.

Mbps: For the purposes of this contract, a megabit per second (Mbps) is defined as a unit of data transfer rate equal to 1,024 kilobits per second (using the binary meaning).

Mall Storefront Format: A store located within the Exchange mall outside of a main store. These locations have a separate storefront and entrance, similar to a traditional mall store and the physical footprints are larger than PowerZone and kiosk offerings.

Main Retail Store or Exchange (BX/PX): Base Exchanges (BX) and Post Exchanges (PX) operated by the Exchange. The major retail activity of a military installation providing retail merchandise and services for authorized customers.

MB: megabyte.

Military Star Card: The MILITARY STAR Card® is a proprietary, private label credit card owned by the Exchange, The Exchange' primary credit card and can be used for all purchases ranging from everyday items to luxury, high-end items. MILITARY STAR also does something that bank cards do not; 50% of the MILITARY STAR Card's earnings are given back to customer through Morale, Welfare and Recreation (MWR) programs.

Mobile: also known as cellular or wireless is a non-physical connection providing signal such as CDMA, GSM, LTE, WIMAX, etc.

MVNO: (mobile virtual network operator): is a company that provides mobile phone services, but does not have its own licensed frequency allocation of radio spectrum, nor does it necessarily have all of the infrastructure required to provide mobile telephone service.

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MWR: Morale Welfare Recreation – military operations and services located on a post. These include: Libraries, fitness centers, gymnasiums, swimming pools, recreation centers, parks, and community centers.

Network Carrier (mobile network operator, wireless service provider, cellular company): is a telephone company that provides services for mobile phone subscribers and must have acquired a radio spectrum license from the government, for example: Vodafone, T-Systems.

OCONUS: Outside the continental United States. For ATD, OCONUS excludes Alaska and Hawaii.

Offeror: An offeror is defined as the single business entity that is responding to this RFP.

OPEX: Operating Expenses.

PCS: Permanent Change of Station is the official relocation of an active duty military service member—along with any family members living with her or him to a different duty location, such as a military base.

PIS: Personal Information Services- intended to provide personal information services to authorized patrons for personal use. Personal information services include, but are not limited to Internet, telephone, and television access via any delivery method such as wireline or wireless.

Post-paid: new or upgraded mobile plan activations where the user is billed after the fact, according to their use of wireless services including overages, at the end of the month.

PowerZone: Department in the Exchange facility where a consumer electronics, including, but not limited to televisions, audio equipment, DVD players, computers, DVDs and CDs are sold.

Settlement Report: (refer to Attachment A in Exhibit E, Fees) For the purpose of monthly representation of the calculation of sales and fees to the Exchange. This represents sales by units of categories such as activations, upgrades, recharge / refill cards, devices, and accessories and is submitted by the Concessionaire to the Exchange.

Shoppette: A retail outlet located primarily, but not exclusively, in a high traffic area near major installations roadways or housing areas. A shoppette is open for business longer hours than other retail outlets and carries a stock assortment focused on convenience food and household items. Some shoppettes also have has sales and video rentals areas.

Respondent: Synonymous with “offeror”.

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Responsible Offeror: Responsibility refers to the Exchange's determination as to whether an offeror would or could perform a contract. Generally, a responsible prospective contractor must (1) have been determined not to be an ineligible source, (2) have adequate financial resources as required during performance of the contract, (3) be able to comply with the required or proposed performance schedule, taking into consideration all existing and projected business commitments, commercial as well as government, (4) have a satisfactory record of past and current performance, (5) have a satisfactory record of past and current integrity, (6) have the necessary organization, experience and technical skills to perform the contract and (7) have the necessary production and technical equipment and facilities to perform the contract.

Responsiveness: Proposal must satisfy all requirements set forth in this RFP. Any proposal that does not adhere strictly to RFP requirements may, at the sole discretion of the Exchange, be rejected as not responsive to the RFP, without further consideration. Proposals will be evaluated, according to whether the offeror meets the qualifications described in the RFP and submits a proposal complying with all RFP requirements. AAFES reserves the right, in its sole discretion, to determine whether any deviation(s) from our expectation(s) to RFP requirements make the proposal non-responsive or otherwise unacceptable such that the proposal will be rejected without further consideration.

RFP: Request for proposal (see also Solicitation).

Solicitation: Synonymous with "RFP".

TDY: Temporary Duty refers to a United States Government employee travel assignment at a location other than the employee's permanent duty station.

Through-put: the measure of successful message deliver, ignoring any losses or overhead data.

Upgrade: The act of a subscriber replacing their existing mobile device with a newer mobile device and/or renewing their service plan or adding more minutes and/or features to their plan.

Unlimited Monthly Internet Access: For the purposes of this contract, "unlimited" means the amount of time the subscriber purchases at the monthly subscription rate.

Upload Speed: This is the speed the upload and is measured in Kilo Bits per Second.

Wireless: Refers to "free space" transmission of a communications signal such as radio, infrared light, etc. Communications systems using wireless technologies include a non-physical Microwave, Satellite, GSM, LTE, WIMAX, Wi-Fi, GPS, BlueTooth®, etc.

Wi-Fi – Wireless network based on 802.11 standards.

***** END OF SCHEDULE *****

EXHIBIT A - GENERAL PROVISIONS
CONTRACT FOR SERVICES – TELECOMMUNICATIONS
(MAY 11)

1. Legal Status (AUG 08)
2. Authority to Bind (NOV 95)
3. Procurement Integrity (NOV 95)
4. Oral Representations (JAN 94)
5. Modifications and Additions (MAY 04)
6. Subcontracting (MAY 11)
7. Assignment - Services (DEC 07)
8. Termination (JUN 94)
9. Permits, Licenses and Applicable Laws (DEC 04)
10. Indemnify and Hold Harmless – Infringement (MAY 11)
11. Disputes (DEC 07)
12. Non-Waiver of Defaults (MAY 89)
13. Advertisements (AUG 08)
14. Examination of Records (AUG 08)
15. Contractor Personnel and Representatives (AUG 08)
16. Environmental Protection (AUG 09)
17. Contractor Liability - Services (MAY 04).
18. Drug-Free Workplace (AUG 92).
19. Restrictions on Purchases of Foreign Goods (MAY 04).
20. Payment by Electronic Funds Transfer (OCT 98).
21. Privacy Act (DEC 07).
22. Choice of Law and Forum (DEC 07).
23. Data Compliant (DEC 07).
24. Payment Card Industry (PCI) Compliance (OCT 10)
25. Green Clause (AUG 09)
26. Personal Identity Verification of Contractor Personnel (May 11)
27. Combating Trafficking in Persons (AUG 09)
28. Performance (AUG 09)
29. Unspsc Item Category Identifiers (AUG 09)
30. Army and Air Force Exchange Service Rights (UNLIMITED) (AUG 09)
31. Indemnify and Hold Harmless (MAY 89)

EXHIBIT A - GENERAL PROVISIONS
CONTRACT FOR SERVICES – TELECOMMUNICATIONS
(MAY 11)

1. LEGAL STATUS (AUG 08).

The Army and Air Force Exchange Service (hereinafter and as known in commerce, the "Exchange"), including its activities, offices, and individual exchanges, is an integral part of the Departments of the Army and Air Force and an instrumentality of the United States Government. Exchange contracts are United States contracts; however, they do not obligate appropriated funds of the United States except for a judgment or compromise settlement in suits brought under the provisions of the Contract Disputes Act of 1978, as amended, in which event the Exchange will reimburse the U.S. Government. Exchange procurement policy is established by applicable directives and instructions promulgated by the Department of Defense. The Federal Acquisition Regulation (FAR) does not apply to the Exchange.

2. AUTHORITY TO BIND (NOV 95).

a. "Contracting Officer" means a person authorized by the Commander, Army and Air Force Exchange Service to execute and administer contracts, purchase orders, or other agreements on behalf of the Exchange. Only contracting officers may waive or change contract terms; impose additional contract requirements; issue cure, show-cause and termination notices; issue claims against contractors, and issue final decisions on contractor claims.

b. The contracting officer may authorize other Exchange and government officials to perform actions of an administrative nature, such as conducting inspections and audits; placing orders against existing contracts; forwarding requests for contract changes to the contracting officer; collecting contract payments, and processing routine documents. These officials are not contracting officers, as defined in a. above.

c. The Exchange has no obligation to recognize or accept waivers or changes to this contract that result from the actions of officials other than the contracting officer. The contracting officer may deny claims based on such actions. Contractors' should refer questions concerning the authority of other Exchange or government officials to the contracting officer.

3. PROCUREMENT INTEGRITY (NOV 95).

a. By submission of an offer or performance of this contract, the offeror or contractor certifies with respect to this Exchange purchase action:

(1) that no discussion, offer or promise of future employment or business opportunity has nor will be made to Exchange civilian or military personnel who personally and substantially participated in the purchase action;

(2) that no offer, promise or gift of any gratuity, entertainment, money, or other thing of value has nor will be made to any Exchange civilian or military personnel or any other employee of the United States Government or member of their family or household;

(3) that no information proprietary to other offerors or other purchasing information (offeror list, prices offered, technical evaluations or rankings, etc.) is sought or obtained until it is available to the public under the Exchange procedures.

(4) that no person or selling agency has been employed or retained to secure this contract for a commission, percentage, brokerage or contingent fee except bona fide employees or bona fide established commercial selling agencies retained by the contractor for the purpose of securing business.

b. Contractor certifies that no gratuities (entertainment, gifts, money, kickbacks or other thing of value) were nor will be solicited or accepted by the contractor, or any contractor representative, from any subcontractor or subcontractor representative, for the purpose of obtaining or rewarding favorable treatment in connection with this contract or any subcontract under it.

c. Contractor will report in writing to the Director, Loss Prevention Division. Any possible violation of this clause when there are reasonable grounds to believe a violation may have occurred. The contractor will cooperate fully with any federal agency investigation of a possible violation of this clause.

d. For breach of any of these certifications, the Exchange may terminate this contract for default, and/or deduct from amounts due under this or other contracts, or charge contractor for, the total value of any contingent fee, gratuity or kickback or other loss to the Exchange arising out of the breach.

EXHIBIT A - GENERAL PROVISIONS
CONTRACT FOR SERVICES – TELECOMMUNICATIONS
(MAY 11)

4. ORAL REPRESENTATIONS (JAN 94).

This contract represents the entire agreement of the parties. Any changes or amendments thereto may not be recognized by the Exchange unless committed to writing and incorporated by reference into the contract by the contracting officer.

5. MODIFICATIONS AND ADDITIONS (MAY 04).

a. Except as otherwise specifically provided in this contract, all changes, modifications, additions or deletions to this contract must be prepared in writing as formal amendments signed by both parties and approved in accordance with provisions of applicable regulations.

b. **UNILATERAL AMENDMENTS:** The contracting officer may make unilateral amendments to the contract to incorporate administrative changes, provided such changes are within the general scope of the contract and the changes have no cost impact on the contractor. The contracting officer may make unilateral amendments to the contract cost prices and/or other changes when such amendments incorporate contractor's written requests for revision.

6. SUBCONTRACTING (MAY 11).

a. Concessionaire shall not subcontract any part of the work to be performed without the prior written consent of the Contracting Officer. Any subcontractor used in connection with this contract is the agent of the contractor and not the agent of the Exchange.

b. Prior to contract execution, the successful Offeror will be required to furnish the corporate or company name and names of the officers and principles of all subcontractors. Notwithstanding any such consent by the Exchange, the successful Offeror shall itself be solely responsible for ensuring the subcontractor is responsible the performance of all work set forth in any contract resulting from the solicitation, and for compliance with the price and other terms provided in the contract. The successful Offeror shall cause the appropriate provisions of its proposal and the contract to be inserted in all subcontracts.

c. The Exchange's consent to any subcontract or subcontractor proposed by an Offeror shall not create or purport to create any obligation of the Exchange to any subcontractor, or any form of contractual relationship or relationship of privity between the Exchange and the subcontractor. Any Offeror who obtains such consent of the Exchange shall be required to insert a clause so providing in all subcontracts.

7. ASSIGNMENT - SERVICES (DEC 07).

The Assignment of Claims Acts, 31 U.S.C. 3727 and 41 U.S.C. 15, are not applicable to amounts due under Exchange contracts. Contractor may not assign its rights or delegate its obligations under this contract, and the Exchange will neither consent to, nor recognize, any purported assignment. Contractor may request permission from the contracting officer to have contract payments forwarded to a third party.

8. TERMINATION (JUN 94).

Relative to termination of this contract, it is mutually agreed:

a. This contract may be terminated in whole or in part by either party immediately upon written notice to the other party in the event of breach of this contract by the other party.

b. This contract may be terminated in whole or in part by either party upon ninety (90) days notice in writing to the other party.

c. This contract is automatically terminated upon the dispatch of written notice to contractor in the event the exchange is inactivated or the installation at which the exchange is located is inactivated. If this contract covers services to be performed at various exchanges or installations and only one or more of the exchanges or installations are inactivated, then only that portion of the contract being performed at the inactivated exchange or installation is terminated.

9. PERMITS, LICENSES AND APPLICABLE LAWS (DEC 04).

By contracting with the Exchange, contractor warrants that all necessary permits and licenses have been obtained and it has complied with all applicable laws and regulations governing the manufacture, sale, packing, shipment and delivery of the products and services provided. Contractor certifies that it, its subcontractors and its suppliers, have complied with applicable labor laws, including but not limited to the Fair Labor Standards Act (FLSA). Contractor will notify

EXHIBIT A - GENERAL PROVISIONS
CONTRACT FOR SERVICES – TELECOMMUNICATIONS
(MAY 11)

subcontractor that the Exchange requires that goods will be made in compliance with the FLSA and will provide subcontractors with information regarding the requirements of FLSA. If requested by the contracting officer, vendor will promptly provide subcontractor names and manufacturing sites. Vendor will have an effective monitoring program for it, and its subcontractors and suppliers, and will display Wage and Hour Division posters in workers' language and other appropriate materials, provided by US Department of Labor (DOL) through the Exchange, at US work sites inviting workers to make inquiries about the Fair Labor Standards Act.

10. INDEMNIFY AND HOLD HARMLESS - INFRINGEMENT (MAY 11)

a. The contractor will indemnify, hold harmless the Exchange and all other agencies and instrumentalities of the United States, their agents, representatives, employees and customers from any and all judgments promulgated by a court of competent jurisdiction, and all charges and expenses incident thereto which arise out of the alleged or established violation or infringement of any patent, copyright or trademark rights asserted by any third party with regard to any product (to include hardware, software and firmware) or services provided by contractor. Contractor shall not be liable under this clause if the judgment is rendered pursuant to a settlement entered into on behalf of the Exchange by the United States Attorney or the Department of Justice, for reasons other than of any infringement of patent, copyright or trademark rights.

b. The Contractor shall have no obligation whatsoever for any claim, demand, suit, or action with respect to any modifications to Contractor's product by or on behalf of the Exchange or any claim, demand, suit or action arising out of the unauthorized combination, operation or use of the product by the Exchange.

c. In the event that an injunction or order is issued by a court of competent jurisdiction against the Exchange's use of any product provided by contractor under this contract, or if in contractor's opinion the product provided under this contract is likely to become the subject of a claim or infringement of a copyright, trade secret or other proprietary right of a third party, Contractor shall have one of the following options to: (1) at its expense procure, for the Exchange's benefit, the right to continue using the product; (2) replace or modify the product at its expense so that it becomes non-infringing, unless such modification or replacement would adversely affect the specifications for the product or its use by Exchange, or (3) terminate the license for the affected product by 30 days written notice to the Exchange through the contracting officer.

d. If contractor selects option c(3), the Exchange shall be entitled to a refund for any license fees which the Exchange has already Paid, prorated on a 12-month basis, beginning the day the product was first licensed to or accepted by the Exchange, and the Exchange shall have no further obligation to pay fees for the terminated portion of the contract.

e. Contractor's obligations under this clause are conditioned on the Exchange having provided written notice of any infringement claim to contractor, which notice in any event shall be given no later than the 30th business day after actual written notice of such claim has been received by the Exchange contracting officer. Contractor shall notify the contracting officer no later than the 30th business day after contractor receives written notice of any claim that could affect the Exchange's right to use the product.

f. Contractor expressly agrees and acknowledges that, because the Exchange is a nonappropriated fund instrumentality of the United States and is sovereign immune to the same extent as the federal government, the Exchange is: (1) not subject to suit in state court; (2) is without authority to grant contractor the right to defend an infringement claim brought against the Exchange, and (3) is defended by the United States Attorney for the district in which such claim is brought, or the Department of Justice if suit is brought in the United States Court of Federal Claims. The Exchange shall, to the extent permitted by the United States Attorney, the Department of Justice, and applicable federal laws and regulations, cooperate fully with Contractor in the defense of the claim and provide contractor reasonable access to the Exchange personnel and records.

g. This clause contains the Exchange's exclusive remedy and Contractor's entire liability for infringement. The rights and obligations of the parties shall survive the expiration or other termination of this contract with respect to acts or events occurring or alleged to have occurred prior to termination of this contract, and is expressly made for the benefit of, and shall be enforceable by any or all of the indemnified persons.

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11. DISPUTES (DEC 07).

a. This contract is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613). Except as provided in the Act, all disputes arising under or relating to this contract shall be resolved under this clause.

b. "Claim" as used in this clause means a written demand or written assertion by one of the contracting parties seeking the payment of money in a sum certain or other relief arising under or relating to this contract. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim under the Contract Disputes Act.

c. A claim by the contractor shall be made in writing and submitted to the contracting officer for a written decision. A claim by the Exchange against the contractor shall be made by a written decision by the contracting officer.

d. For contractor claims exceeding \$100,000, the contractor shall submit with the claim, a signed certification that:

- (1) The claim is made in good faith;
- (2) Supporting data are accurate and complete to the best of the contractor's knowledge and belief, and
- (3) The amount requested accurately reflects the contract adjustment for which the contractor believes the Exchange is liable.

e. The claim must be executed by an individual with authority to bind the contractor.

f. The contracting officer will mail, or otherwise furnish, a written decision in response to a contractor claim within the time periods specified by law. Such decision will be final and conclusive unless:

(1) Within 90 calendar days from the date of contractor's receipt of the final decision, the contractor appeals the decision to the Armed Services Board of Contract Appeals (ASBCA),

(2) Within 12 months from the date of contractor's receipt of the final decision, the contractor brings an action in the United States Court of Federal Claims.

g. Pending final resolution on any request for relief, claim, appeal, or action arising under or relating to this contract, contractor will proceed diligently with the performance of this contract and will comply with the contracting officer's decisions.

h. Submission of false claims to the Exchange is a violation of federal law and may result in civil and/or criminal penalties. If contractor cannot support all or part of its claim as a result of fraud or misrepresentation of fact, then in addition to other remedies or penalties provided for by law, contractor will pay the Exchange an amount equal to the unsupported part of the claim and all the Exchange's costs attributable to reviewing that part of the claim.

12. NON-WAIVER OF DEFAULTS (MAY 89).

Any failure by the Exchange at any time, or from time to time, to enforce or require strict performance of any terms or conditions of this contract will not constitute waiver thereof and will not affect or impair such terms and conditions in any way or the Exchange's right at any time to avail itself of such remedies as it may have for breach or breaches of such terms and conditions.

13. ADVERTISEMENTS (AUG 08).

Contractor will not represent in any manner, expressly or by implication, that products purchased under this contract are approved or endorsed by any element of the United States, including the Exchange. All contractor advertisements that refer to Exchange or military exchanges will contain a statement that the advertisement was neither paid for nor sponsored, in whole, or in part, by Exchange, the military exchange system, or the United States Government.

14. EXAMINATION OF RECORDS (AUG 08).

a. This clause applies if the amount of the contract exceeds \$10,000 and the contract was entered into by means of negotiation. The contractor agrees that the contracting officer or his duly authorized representative will have the right to examine and audit the books and records of the contractor directly pertaining to the contract during the period of the contract and until the expiration of three years after the final payment under the contract. The contractor agrees to include this clause in all subcontracts that exceed \$10,000.

b. "General Accountability Office" may be substituted for "contracting officer or his duly authorized representative" when the prospective contractor does not accept the standard wording of the examination clause.

c. Contracts awarded to foreign contractors may exclude the examination clause when its use is precluded by the laws of the country involved, subject to the approval of the servicing Exchange General Counsel (Exchange HQ and Exchange

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Europe). Contract files will be in such circumstances be documented to show the basis for exclusion of the clause.

15. CONTRACTOR PERSONNEL AND REPRESENTATIVES (AUG 08).

- a. The contractor will discontinue using any individual in Exchange facilities upon contracting officer's written notice that the individual is not acceptable for performance under this contract. Contractor will not use any such person to perform other Exchange contracts without the prior written consent of the contracting officer.
- b. The contractor will not employ any individual to work in Exchange facilities whom an Exchange contracting officer has determined unacceptable under any other Exchange contract without the prior written consent of the contracting officer.
- c. Contractor personnel will abide by applicable regulations and directives and conduct themselves so as not to reflect discredit on the Exchange.
- d. The contractor will not represent himself/herself to be an agent or representative of the Exchange, another instrumentality, or an agency of the United States.

16. ENVIRONMENTAL PROTECTION (AUG 09).

- a. This clause shall apply to any contract in excess of \$100,000, and indefinite quantity contracts estimated to exceed \$100,000 in one year; however, it shall not apply to use of facilities located outside the United States.
- b. Unless this contract is exempt, by acceptance of this contract, contractor (and, where appropriate, subcontractor) stipulates:
 - (1) that any facility to be utilized in the performance of any nonexempt contract or subcontract is not listed on the EPA List of Violating Facilities as of the date of contract award;
 - (2) its agreement to comply with all requirements of Section 114 of the Air Act and Section 308 of the Water Act relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in sections 114 and 308 of the Air Act and the Water Act, respectively, and all regulations and guidelines issued thereunder;
 - (3) that as a condition of award of contract, contractor shall promptly notify the contracting officer of the receipt of any communication from the Director, Office of Federal Activities, U.S. Environmental Protection Agency, or delegatee, indicating that a facility to be utilized for the contract is under consideration to be listed on the EPA List of Violating Facilities;
 - (4) its agreement to include the criteria and requirements in subparagraphs (1) through (4) in every nonexempt subcontract, and to take such actions the Government may direct as a means of enforcing such provisions.

17. CONTRACTOR LIABILITY - SERVICES (MAY 04).

In addition to the liabilities specifically provided for in other clauses, contractor will be liable as follows in the event contractor fails to fully and timely perform in accordance with all contract provisions:

- a. Incidental damages, including expenses reasonably incurred in inspection, receipt, packing, rejection or screening of goods in lieu of rejection, care and custody of goods rightfully rejected, transportation, and any other reasonable expense incident to contractor's failure to fully and timely perform in accordance with all contract provisions.
- b. Contractor will not be liable for consequential damages except in the case of illicit or disabling codes up to the total contract value.
- c. Contractor will not be liable for incidental damages if the failure to perform arises out of causes beyond the control and without the fault or negligence of the contractor and any subcontractors and suppliers. Such causes may include acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather. In such case, contractor must provide prompt written notice to the contracting officer; the contracting officer, may accept late, partial or substituted performance, or may terminate the contract in whole or in part effective immediately upon receipt of written notice by contractor.

18. DRUG-FREE WORKPLACE (AUG 92).

Contractor agrees to make a good faith effort to establish and maintain a drug-free workplace in connection with the performance of this contract. Consistent with the size and organization of its work force, contractor may wish to consider

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taking the following or other appropriate actions in establishing a drug-free workplace: publicizing a drug-free workplace policy, initiating an employee drug awareness program or encouraging participation in existing community/installation programs and informing employees of the general availability of drug counseling programs.

19. RESTRICTIONS ON PURCHASES OF FOREIGN GOODS (MAY 04).

a. Contractor will not acquire for use in the performance of this contract any merchandise, equipment, supplies or services originating from, processed in, or transported from or through, the countries prohibited from commerce by the United States Government. A current list of prohibited countries is available at <http://www.ustreas.gov/offices/enforcement/ofac/programs/index.shtml>

This restriction includes merchandise, equipment, supplies or services from any other country that is restricted by law, regulation or executive order at any time during performance of the contract.

b. Contractor agrees to insert the provisions of this clause, including this paragraph, in its subcontracts.

20. PAYMENT BY ELECTRONIC FUNDS TRANSFER (OCT 98).

The following will apply for all payments made by the Exchange to the contractor under the terms of this contract.

a. Method of payment.

(1) All payments by the Exchange under this contract shall be made by electronic funds transfer (EFT). The term "EFT" refers to the funds transfer and may also include the payment information transfer.

(2) If the Exchange is unable to release payment by EFT, the Contractor agrees to either (i) accept payment by check or some other mutually agreeable method of payment, or (ii) request the Exchange to extend the payment due date until such time as the Exchange can make payment by EFT.

b. The Exchange shall make payment to the Contractor using the EFT information provided by the contractor. In the event that the EFT information changes, the Contractor shall be responsible for providing the updated information to the Exchange, not less than thirty days prior to the effective date.

c. If the Contractor's EFT information in the Exchange database is incorrect the Exchange need not make payment to the Contractor under this contract until correct EFT information is entered into the Exchange database; and any invoice shall be deemed not to be a proper invoice for the purpose of prompt payment under this contract.

d. If the Contractor has identified multiple payment receiving points in the Exchange database, and the Contractor has not notified the Exchange of the payment receiving point applicable to this contract, the Exchange shall make payment to the first payment receiving point listed in the Exchange database.

e. The payment or disbursing office shall forward to the Contractor available payment information. The Exchange shall send the payment information to the remittance address contained in the Exchange database.

21. PRIVACY ACT (DEC 07).

a. The contractor agrees to:

(1) Comply with the Privacy Act of 1974 (the Act) and Department of Defense (DOD) rules and regulations issued under the Act in the design, development, or operation of any system of records on individuals to accomplish an agency function when the contract specifically identifies:

a. The systems of records; and

b. The design, development, or operation work that the contractor is to perform;

(2) Include the Privacy Act notification contained in this contract in every solicitation and resulting subcontract and in every subcontract awarded without a solicitation, when the work statement in the proposed subcontract requires the redesign, development, or operation of a system of records on individuals that is subject to the Act, and

(3) Include this clause, including this subparagraph (3), in all subcontracts awarded under this contract which requires the design, development, or operation of such a system of records.

b. In the event of violations of the Act, a civil action may be brought against Exchange when the violation concerns the design, development, or operation of a system of records on individuals to accomplish an Exchange function, and criminal penalties may be imposed upon the officers or employees of Exchange when the violation concerns the operation of a system of records on individuals to accomplish an Exchange function. For purposes of the Act, when the contract is for the operation of a system of records on individuals to accomplish an Exchange function, the contractor is considered to be an employee of Exchange

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c. "Operation of a system of records," as used in this clause, means performance of any of the activities associated with maintaining the system of records, including the collection, use, and dissemination of records.

d. "Record," as used in this clause, means any item, collection, or grouping of information about an individual that is maintained by an agency, including but not limited to education, financial transactions, medical history, and criminal or employment history; must contain the person's name, identifying number, symbol, or other identifying particular assigned to the individual.

e. "System of records on individuals," as used in this clause, means a group of any records under the control of any agency from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particular assigned to the individual.

f. The system or systems of records identified for this contract is/are: The system of records refers to information collected, compiled, and/or utilized to build a customer database for potential and/or current/follow-on services. Instruments used to collect information in written or electronic format includes, but are not limited to, application for services, verification of credit rating, customer inquiries/comments, data for invoicing current customers, change of address notifications, information used for marketing purposes, etc.

g. Subcontracting/outsourcing customer data outside CONUS is not acceptable for DOD Operational Security (OPSEC) purposes.

22. CHOICE OF LAW AND FORUM (DEC 07).

This contract shall be construed and interpreted in accordance with the laws of the United States of America as applied by, among others, the Armed Services Board of Contract Appeals and the United States Court of Federal Claims. By execution of this contract, the contractor expressly agrees to waive any rights to invoke the jurisdiction of the national or state courts where this contract is performed and agrees to accept the exclusive jurisdiction of an appropriate U.S. Federal administrative body or court.

23. DATE COMPLIANT (DEC 07).

a. Contractor warrants that all information technology (software, hardware, micro-code, firmware, etc.) supplied under the contract are able to accurately and efficiently process date and time data including, but not limited to, calculating, comparing, and sequencing date and time data from, into, and between the twentieth and twenty-first centuries, and leap year calculations through at least 31 December 2101. The supplied information technology when used in combination with other information technology will accurately and efficiently process date and time data if the other information technology properly exchanges date and time data. No human intervention is needed to invoke the date compliance (i.e. rebooting the hardware or restarting the software.) The information technology methods to be date compliant must run fault free (no abnormal exiting applications and error free results) and be transparent to the user.

b. If the information technology supplied under this contract relies on other information technology to accurately and efficiently process date and time data then the contractor must disclose this reliance before entering into any agreement or allowing any contract addition or substitution (as may be authorized by the contracting officer.)

24. PAYMENT CARD INDUSTRY (PCI) COMPLIANCE (OCT 10).

a. If payment cardholder data is processed via a contractor's processor or via an Exchange point of sale terminal or if card data is shared with contractors, subcontractors, merchants or service providers under the terms and conditions of this contract, the contractors, subcontractors, merchants and service providers must adhere to the most current version of the Payment Card Industry Data Security Standards (PCI DSS) requirements. These requirements are available at <https://www.pcisecuritystandards.org>.

b. The contractor acknowledges that each contractor, subcontractor, merchant and service provider with access to payment cardholder data is responsible for the security of the cardholder data the provider possesses. The contractor will also include this clause in any subcontract that provides access to cardholder data.

c. The contractor will control any duplicate or store copies of payment card receipts in a locked cabinet or in a locked register or locked drawer. The contractor will use equipment that masks the card number on the customer's receipt per the PCI DSS. The contractor will develop and implement procedures for destruction of receipts based on PCI standards and applicable state law.

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25. GREEN CLAUSE (AUG 09).

Exchange encourages contractors/vendors to embrace, establish and promote environmentally "Green Initiatives". We look to the contractor to accomplish this by :

- a. Where possible utilize environmentally friendly products
- b. Where possible promote energy-efficiency and water conservation
- c. Where possible eliminate/reduce the production or generation of hazardous waste and the need for special material processing (including special handling, storage, treatment and disposal)

26. PERSONAL IDENTITY VERIFICATION OF CONTRACTOR PERSONNEL (May 11).

This clause is to provide guidance concerning compliance with Homeland Security Presidential Directive (HSPD) 12 and Policy for Common Identification Standard for Contractors and Subcontractors when contract performance requires routine physical access to a Federally controlled facility and/or routine access to a Federally controlled information system. As processes and procedures could change over time, go to <http://www.shopmyexchange.com> , click on, "Doing Business", click on "Authorization to Enter Military Installations" for the most up-to-date instructions. Questions should be directed to the Exchange HQ Chief of Staff, Force Protection (CS-FP) or your Contracting Officer.

a. After contract award and prior to performance on any Federal installation, the contractor shall comply with the local installation's personal identity verification procedures identified by that installation which implements HSPD-12 policy for a Common Identification Standard for Federal Employees and Contractors.

(1) If the contractor employee is to work at only one site, the Exchange's contractors must follow local installation guidelines and directives concerning identification, access, and security requirements. These guidelines may vary from one installation to another and it is the contractor's responsibility to seek guidance concerning these issues from the Exchange Service Business Manager or General Manager.

(2) If the contractor or their employees will access sensitive data or go to multiple DoD or access to multiple non-DoD facilities on a recurring basis for a period of 6 months or more (CONUS or OCONUS), they must obtain a Common Access Card (CAC) and will be required to submit a clearance package to CS-FP, no less than 30 days in advance of needed access. Authorization must be received from CS-FP before contractors can be issued a CAC card. CAC card will be issued after a thorough background check which includes the completion of a FBI fingerprint check with favorable results and submission of a National Agency Check with inquiries to the Office of Personnel Management (OPM) or a DoD determined equivalent investigation, you will then be directed to the nearest military installation where the card can be obtained.

b. The contractor shall insert this clause in all subcontracts when the subcontractor is required to have routine physical access to a Federally controlled facility and/or routine access to a Federally-controlled information system.

c. The contractor is responsible for securing and returning to the issuing office all identification cards issued under these procedures (1) for all employees at the end of the contract; and (2) for individual employees no longer employed or no longer assigned to perform the Exchange contract.

d. As a reminder, any costs associated with the clearance process are the responsibility of the contractor.

27. COMBATING TRAFFICKING IN PERSONS (AUG 09).

a. Definitions. As used in this clause—

"Coercion" means—

- (1) Threats of serious harm to or physical restraint against any person;
- (2) Any scheme, plan, or pattern intended to cause a person to believe that failure to perform an act would result in serious harm to or physical restraint against any person; or
- (3) The abuse or threatened abuse of the legal process.
- (4) Withholding any documents (e.g. passports, visas, IDs, etc.) that prevents or restricts the person to move freely.

"Commercial sex act" means any sex act on account of which anything of value is given to or received by any person.

"Debt bondage" means the status or condition of a debtor arising from a pledge by the debtor of his or her personal services or of those of a person under his or her control as a security for debt, if the value of those services as reasonably assessed is not applied toward the liquidation of the debt or the length and nature of those services are not respectively limited and defined.

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“Employee” means an employee of the Contractor directly engaged in the performance of work under the contract who has other than a minimal impact or involvement in contract performance.

“Forced labor” means knowingly providing or obtaining the labor or services of a person—

- (1) By threats of serious harm to, or physical restraint against, that person or another person;
- (2) By means of any scheme, plan, or pattern intended to cause the person to believe that, if the person did not perform such labor or services, that person or another person would suffer serious harm or physical restraint; or
- (3) By means of the abuse or threatened abuse of law or the legal process.

“Involuntary servitude” includes a condition of servitude induced by means of—

- (1) Any scheme, plan, or pattern intended to cause a person to believe that, if the person did not enter into or continue in such conditions, that person or another person would suffer serious harm or physical restraint; or
- (2) The abuse or threatened abuse of the legal process.

“Severe forms of trafficking in persons” means—

- (1) Sex trafficking in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age; or
 - (2) The recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.
- “Sex trafficking” means the recruitment, harboring, transportation, provision, or obtaining of a person for the purpose of a commercial sex act.

b. Policy. The United States Government and the Army and Air Force Exchange Service has adopted a zero tolerance policy regarding trafficking in persons. Contractors and contractor employees shall not—

- (1) Engage in severe forms of trafficking in persons during the period of performance of the contract;
- (2) Procure commercial sex acts during the period of performance of the contract; or
- (3) Use forced labor in the performance of the contract.

c. Contractor requirements. The Contractor shall—

- (1) Notify its employees of—
 - (i) The United States Government's and the Army and Air Force Exchange Services' zero tolerance policy described in paragraph (b) of this clause; and
 - (ii) The actions that will be taken against employees for violations of this policy. Such actions may include, but are not limited to, removal from the contract, reduction in benefits, or termination of employment; and
- (2) Take appropriate action, up to and including termination, against employees or subcontractors that violate the policy in paragraph (b) of this clause.

d. Notification. The Contractor shall inform the Contracting Officer immediately of—

- (1) Any information it receives from any source (including host country law enforcement) that alleges a Contractor employee, subcontractor, or subcontractor employee has engaged in conduct that violates this policy; and
- (2) Any actions taken against Contractor employees, subcontractors, or subcontractor employees pursuant to this clause.

e. Remedies. In addition to other remedies available to the Army and Air Force Exchange Service, the Contractor's failure to comply with the requirements of paragraphs (c), (d), or (f) of this clause may result in—

- (1) Requiring the Contractor to remove a Contractor employee or employees from the performance of the contract;
- (2) Requiring the Contractor to terminate a subcontract;
- (3) Suspension of contract or fee payments;
- (4) Loss of award fee, consistent with the award fee plan, for the performance period in which the Army and Air Force Exchange Service determined Contractor non-compliance;
- (5) Termination of the contract for default or cause, in accordance with the termination clause of this contract; or
- (6) Suspension or debarment.

f. Subcontracts. The Contractor shall include the substance of this clause, including this paragraph (f), in all subcontracts.

g. Mitigating Factor. The Contracting Officer may consider whether the Contractor had a Trafficking in Persons awareness program at the time of the violation as a mitigating factor when determining remedies. Additional information about Trafficking in Persons and examples of awareness programs can be found at the website for the Department of State's Office to Monitor and Combat Trafficking in Persons at <http://www.state.gov/g/tip>.

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28. PERFORMANCE (AUG 09).

Contractor will perform in accordance with all contract provisions. The Exchange will make payments only for performance as promised including supplies delivered and accepted per product specification and free of defects, or services rendered that satisfy the contractual specifications and are accepted. Payments for milestones will be paid when the milestones have been achieved and accepted. Additional periods of performance (if any) will only be granted for performance at or above the contractual level. The contracting officer may exercise remedies in accordance with the provisions of this contract for poor performance, non-performance, or failure to meet the service level agreement established.

29. UNSPSC ITEM CATEGORY IDENTIFIERS (AUG 09).

The vendor shall identify the contractor's items by utilizing the United Nations Standards Products and Services Code (UNSPSC) system for categorizing products and services. UNSPSC code guidance can be found at: www.unspsc.org.

The UNSPSC product or service identifiers will be part of the originally proposed item descriptions along with subsequent replacement and or substitution items. The identifiers will be provided in a format which shall indicate the appropriate item category identifier along with sales transaction information required by the report.

The UNSPSC code has five levels, with each successive level supplying greater detail. These levels are identified as follows:

- Level 1: SEGMENT
- Level 2: FAMILY
- Level 3: CLASS
- Level 4: COMMODITY
- Level 5: BUSINESS FUNCTION

For Example:

IT Items – UNSPSC Segment Identifier Number 43

All reported items should be coded following the guidance contained on the UNSPSC website. Each line item number can be code identified by the first four levels of the UNSPSC structure. The fifth level coding can be completed utilizing either '00' or a business function code. Example: Notebook Computer – 42.17.18.01.00

For Exchange purposes, UNSPSC reporting of servers shall contain an additional identifier at the fifth level (Business Function) as follows:

Low-end (32-bit) 43.17.18.06.01
High-end (64-bit) 43.17.18.06.02

In situations where more than one UNSPSC code applies to a CLIN, the predominant item's UNSPSC will be reported. The code reported should be at least to level 3 (Class), and by the digits '00'. Example: Network Hardware (assorted) – 43.17.27.00.00.

UNSPSC Implementation – the Exchange will assist vendors in assigning UNSPSC codes when required. The UNSPSC codes assigned to transacted items should coincide with any such items incorporated where possible. Exchange reserves the right to change or add item identifier format reporting as required.

30. ARMY AND AIR FORCE EXCHANGE SERVICE RIGHTS (UNLIMITED) (AUG 09).

If there are any deliverables under this contract or this contract is for consulting services, the following applies: The Exchange shall have unlimited rights, in all works (including drawings, designs, specifications, notes, data, information,

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reports, analysis, recommendations, or other products) developed in the performance of this contract. These Exchange rights include the right to use these works on any other Exchange contract or agreement or other efforts without additional compensation to the Contractor. The Contractor hereby grants to Exchange a paid-up license throughout the world to all Exchange works to which he may assert or establish any claim for intellectual property derived from this Exchange contracted effort or products developed under this contract. The Contractor for a period of three years after completion of the project agrees to furnish the original or copies of all such works on the request of the Contracting Officer.

Contractor shall have no rights to use the Exchange furnished data or information supplied to Contractor by the Exchange for other than this Exchange contract; it will be deemed Exchange Confidential Information and shall remain the Exchange sole property. All reports, analysis, and recommendations provided by Contractor pursuant to this contract will be and remain the sole property of the Exchange and the United States Government and may not be used on any other work by Contractor without Contracting Officer approval (e.g. including consideration or additional costs to the Exchange) and with respect thereto, the contractor agrees not to assert any proprietary or confidential rights and not to establish any claim for intellectual property.

The contractor agrees that duly authorized representatives of the Exchange will have access at all reasonable times to inspect and review all notes or other data pertaining to the work to be performed under this contract.

31. INDEMNIFY AND HOLD HARMLESS (MAY 89).

a. Concessionaire will indemnify, hold harmless and defend AAFES and all other agencies and Instrumentalities of the United States, their agents, representatives, employees and customers from any and all suits, judgments and claims, including those established by or pursuant to court decisions, to international agreements, or duly promulgated regulations of the United States Government, and all charges and expenses incident thereto which arise out of any of the following:

1. The alleged or established violation or infringement of any patent, copyright or trademark rights asserted by any third party with regard to items or services provided by contractor;
2. Loss, damage, or injury alleged or established to have arisen out of or in connection with items or services provided by Concessionaire, unless such loss, damage, or injury was caused by or resulted solely from the acts or omissions of AAFES, its agents, representatives, or employees;
3. Any loss, damage, or injury alleged or established to have arisen out of or in connection with any other acts or omissions of the Concessionaire.

b. AAFES will give Concessionaire notice and an opportunity to defend.”

***** END OF EXHIBIT *****

**EXHIBIT B – EUROPE LABOR PROVISIONS
(JAN 11)**

Equal Employment Opportunity/Employment of the Handicapped: During the performance of this contract, the concessionaire agrees insofar as allowed by the laws of the country in which the contract is being performed, to the following:

a. The concessionaire will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age, marital status, or physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The concessionaire agrees to take affirmative action to employ, advance in employment and otherwise treat qualified individuals equally without discrimination regardless of race, color, religion, sex, age, national origin, marital status, physical or mental disability in all employment practices. The concessionaire agrees to post in conspicuous places available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

b. The concessionaire will, in solicitation or advertisements for employees placed by or on behalf of the concessionaire, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, age, marital status, physical or mental disability of an otherwise qualified person.

c. The concessionaire will send to each labor union or representative of workers with whom he has a collective bargaining agreement or other contract of understanding, a notice advising the labor union workers' representative of the concessionaire's commitments under this Equal Employment Opportunity/Employment of the Handicapped Clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

d. The concessionaire will furnish all information and permit access to his books, records, and accounts by the contracting agency for the purpose of investigation to ascertain compliance with the Equal Employment Opportunity/Employment of the Handicapped Clause.

***** END OF EXHIBIT *****

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1. Activity (MAR 90)
2. Facilities/Maintenance/Operating Hours (APR 05)
3. Equipment, Furniture, and Movable Trade Fixtures (MAR 11)
4. Tools and Supplies (APR 97)
5. Prohibited Activities (FEB 89)
6. License for the Exchange Trademarks (JAN 05)
7. Authorized Customers (DEC 88)
8. Customer Complaints and Claims (DEC 88)
9. Signs, Identity and Décor Standards (JAN 05)
10. Utilities (APR 05)
11. Internal Controls (JAN 05)
12. Concessionaire Settlement (NOV 02)
13. Fee Payment (MAY 05)
14. Taxes (FEB 89)
15. Concessionaire and Concessionaire Employees (Concession Personnel) (JAN 00)
17. Indebtedness (FEB 89)
16. Actions to be Taken Upon Termination (Including Expiration) (JAN 05)
18. Insurance (FEB 89)
19. Promotional Events (APR 05)
20. The Exchange Tabloid/Special Sales Coupons and Merchandise Gift Certificate Redemption (APR 05)
21. Refunds (DEC 88)
22. Customer Checks (MAY 05)
23. Safeguarding of Concessionaire Funds on Army and Air Force Installations (DEC 88)
24. Charge Card/Military Star Card Sales (MAY 05)
25. Inspections (MAR 00)
26. Smoking Policy (DEC 86)
27. The Exchange/Vendor Partnership Marketing Program (JUL 94)
28. Organizational Sales (NOV 00)
29. Scope of Service/Minimum Quality (DEC 88)
30. Prices (May 99)
31. Price/Fee Revisions (JAN 87)
32. Proposals in English (MAR 11)
33. Customs (AUG 10)

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1. ACTIVITY (MAR 90).

a. The Exchange grants concessionaire a nonexclusive concession to operate the activity described in the Schedule. The assignment of space for concession is a revocable license, not a tenancy.

b. The Exchange makes no warranty or representation, express or implied, that merchandise or services sold in the concession are free of competition. During the contract period, other activities may sell the same or similar merchandise or services. Such activities are: The Exchange, other Exchange concessionaires, military affiliated activities, firms selling without authorization or others. Any Concessionaire complaint of competition from these activities must be written and must be provided to the military installation commander and the contracting officer. The Exchange may assist Concessionaire in resolving its complaint. The Exchange will not be liable for any income, sales, profit or other losses of concessionaires attributed to competition.

c. If premises furnished by or through the Exchange are destroyed either in whole or in substantial part, so as to significantly hinder or prevent normal operations by concessionaire, by acts of God (such as, but not limited to, fire, flood, hurricane, unusually severe weather conditions) or unusual occurrence (unless solely and directly caused by the Exchange negligence), Exchange will not be responsible to concessionaire for repair/restoration of the premises, lost income, sales, or lost profits, damage to concessionaire property, employee salaries, or any consequential costs incurred, or be obligated to relocate concessionaire. Concessionaire should consider obtaining business insurance to cover risks to its property and concession activity.

d. During the contract period, the contracting officer may require the concession to relocate to better meet the Exchange needs or those of the installation, as determined by the contracting officer. Concessionaire will be given advance notice. The Exchange will pay for moving and installing Exchange furnished equipment and fixtures and hooking up utility lines. The Exchange will reimburse the reasonable cost of moving and installing concessionaire furnished equipment and fixtures. The Exchange will not be liable for lost income, profit and/or salaries associated with relocating.

2. FACILITIES/MAINTENANCE/OPERATING HOURS (APR 05).

a. Concessionaire investment for buildings and installed property or fixtures will not be required, unless otherwise specified in this contract. The Exchange will maintain Exchange furnished premises including ordinary running repairs and interior decorating. Concessionaire will be liable for damage to the premises resulting from acts or omissions of concessionaire, concessionaire's employees, or agents. The Exchange may inspect the premises at any time.

b. Concessionaire will keep the premises clean, orderly, secure, and sanitary. Concessionaire will comply with the installation/exchange fire, safety and security regulations and applicable health and sanitation and environmental protection regulations.

c. Concessionaire will do custodial maintenance on the exterior of the facility and grounds if a building is assigned for concessionaire's use. If the facility is shared with other concessionaires, exterior custodial maintenance will be assigned by Exchange management. If the concession is located in an exchange complex and predominant tenancy is by the Exchange direct-operated activities, the Exchange will perform exterior custodial maintenance, except those tasks described in "d" below. The equipment and labor to perform exterior custodial maintenance assigned to the concessionaire will be at concessionaire's expense. Assigned exterior maintenance may include:

(1) Pick up all refuse daily within the assigned exterior areas.

(2) During the season, cut and trim the grass weekly within the assigned exterior areas.

(3) During the season, clear the snow, ice, slush and mud deposits from the sidewalks and walkways within the assigned exterior areas.

d. Concessionaire will, as needed, but at least daily, clean the entrance door, exterior of storefront windows, entranceway and customer walkways; empty and thoroughly clean all waste and smoking receptacles; and check exterior lighting. Exterior lighting failures will be promptly reported to the Exchange. In automotive activities, the service bay floors, equipment, and work benches will be cleaned daily.

e. Posted operating hours are those that will be displayed at the facility. However, each facility will be open for

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business at least 5 minutes before posted opening, and will remain open at least 5 minutes past posted closing, as in the following example:

POSTED Hours of Operation 1000 - 1800

ACTUAL Hours of Operation 0955 - 1805

The term open for business means ready to serve the customer. Activities such as preparing cash registers and sales forms will be accomplished prior to actual opening. Facilities will be open for business at all times during scheduled operating hours. Hours of operation will generally conform to those of nearby exchange activities, and may be changed by written mutual agreement between the concessionaire and the general manager. If concessionaire and general manager cannot agree on changes to the hours of operation, the issue will be submitted to the contracting officer for resolution. Hours of operation for facilities not located near exchange activities are fixed and may only be changed by written amendment to the contract. If the nearby exchange is open on a holiday, the concession must also be open during the same hours. If the nearby exchange is closed on a holiday, the concession may also choose to remain closed.

3. EQUIPMENT, FURNITURE, AND MOVABLE TRADE FIXTURES (MARCH 11).

a. The Exchange Furnished: When there is Exchange furnished equipment, the following will apply. The item list, agreed value, and condition of equipment, furniture and trade fixtures furnished by the Exchange are stated in this contract. Concessionaire will sign a custody receipt for the items furnished. Repairs of and replacement parts for the Exchange furnished equipment, furniture, and fixtures will be provided by the Exchange, or at the Exchange's option, by concessionaire at the Exchange's cost. Concessionaire will perform routine preventive maintenance and keep the equipment, furniture, and fixtures clean, sanitary, and secure. Broken or malfunctioning equipment must be reported, in writing, to the Exchange General Manager or Services Business Manager immediately upon discovery. The Exchange will not be liable for concessionaire losses caused by malfunction of equipment. The Exchange property will not be removed from the premises without the prior written approval of the contracting officer. The Exchange property will only be used for this contract. The Exchange may inspect Exchange furnished equipment, furniture, and fixtures at any time.

b. Concessionaire Furnished: Concessionaire will provide and install all the equipment, furniture and movable trade fixtures required by this contract. All concessionaire furnished property is subject to approval of the contracting officer. All electrical equipment will carry the Underwriters' Laboratories (UL) Seal of Approval. At the request of the contracting officer, and prior to the commencement date of services under this contract, concessionaire will give the contracting officer a typed list of all equipment, furniture and movable trade fixtures to be used for this contract. Each item will be identified by manufacturer, model name/number, serial number or concessionaire's fixed asset number, as appropriate. Concessionaire will not sell or remove any equipment, furniture or fixtures from the concession premises without the prior written approval of the contracting officer. Concessionaire will maintain and repair or replace, as necessary, all concessionaire furnished equipment, furniture and fixtures. Title to concessionaire furnished equipment, furniture and fixtures remains with the concessionaire. If Concessionaire uses leased equipment in the performance of the contract, concessionaire must notify the contracting officer of the name and address of the lessor. Concessionaire investment in equipment, furniture and fixtures for this contract is a business risk of the concessionaire. It is expressly understood and agreed that neither the Exchange nor any other agency or instrumentality of the United States is or will be liable to concessionaire for costs of concessionaire's investing in equipment, furniture or movable trade fixtures in the event of termination or expiration of this contract without extension.

4. TOOLS AND SUPPLIES (APR 97).

Concessionaire will furnish tools of the trade and supplies required for this contract.

a. The Exchange may purchase and furnish expendable supplies of the kind and quality the contracting officer considers necessary for performing the required service when those supplies are not readily available on the local economy. Without the express prior approval of the contracting officer, the concessionaire will neither request nor accept supplies from the Exchange.

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b. Supplies furnished by the Exchange will be charged to concessionaire's account at cost plus 10 percent, except as otherwise provided in the contract.

c. Supplies will not be used for other than in performance of the services specified in the contract. Unauthorized use or sale of the Exchange supplies by concessionaire will be reported by the Exchange to host country customs and tax authorities.

5. PROHIBITED ACTIVITIES (FEB 89).

a. Concessionaire will not, in or about the premises of the military installation, engage in or permit gambling or the use of any device which savors gambling (such as punch cards or slot machines), engage in loan operations, or sell merchandise or services on credit unless otherwise provided for in the contract. Concessionaire is responsible for all deferred charges. Concessionaire will take no actions counter to the purpose of the contract or which have the effect of diverting sales from the concession activity to concessionaire's commercial business activities. Facilities will not be used for performance or support of other Exchange contracts or commercial business activities.

b. Concessionaire will not provide free merchandise or services except in conjunction with promotional programs approved by the contracting officer.

6. LICENSE FOR THE EXCHANGE TRADEMARKS (JAN 05).

a. Should the concessionaire be granted permission to use an Exchange trademark, concessionaire agrees that it becomes a temporary licensee of such mark and warrants that it shall use the licensed mark only for the purposes of and pursuant to this Agreement. Concessionaire agrees that it has no claim, option, or other right whatsoever, direct or implied, to any like license for any geographic area or location other than the licensed location(s) in this Agreement.

b. Upon cancellation, termination or expiration of this Agreement, concessionaire shall immediately discontinue all use of the licensed mark and will be deemed to have automatically and irrevocably assigned any rights, equities, good will, titles or other rights in the mark which concessionaire may have obtained or had vested in pursuance of any endeavors under this Agreement. Any such assignment shall be without other consideration than the mutual covenants of this Agreement.

7. AUTHORIZED CUSTOMERS (DEC 88).

Concessionaire will sell service or merchandise only to personnel authorized to use the Exchange facilities.

Concessionaire will comply with the Exchange patron identification procedures.

8. CUSTOMER COMPLAINTS AND CLAIMS (DEC 88).

Concessionaire will adhere to the Exchange's policy of customer satisfaction guaranteed. All customer complaints and claims will be resolved at concessionaire's expense. Any disagreement that cannot be resolved between concessionaire and the customer will be decided by the contracting officer, whose decision will be final and not subject to the Disputes clause. If concessionaire fails to process complaints and claims timely, the Exchange may, in addition to other rights and remedies available under this contract, settle customer complaints and claims and charge them to concessionaire's account. Customer complaints or claims based on merchandise or services sold by a predecessor concessionaire will be referred to the contracting officer.

9. SIGNS, IDENTITY AND DÉCOR STANDARDS (JAN 05).

Concessionaire will post only those signs and décor items approved by the contracting officer.

a. The concessionaire will post all signs and décor items furnished by the Exchange, including, but not limited to, those that provide customer information and those that set identity and décor standards.

b. In the event the concessionaire owns and operates an existing business under a commercially recognized brand, they may use the recognized brand image, signing and store décor.

(1) All requests for approval of concessionaire furnished commercially recognized brand image, signing and store décor must be made in writing to the contracting officer and include sufficient detail to fully identify the proposed brand or image.

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(2) Concessionaire will not take any action to implement or install the brand image until they receive written approval from the contracting officer.

(3) The decision of the contracting officer to accept or reject the concessionaire's proposed brand image is final and not subject to the disputes clause.

10. UTILITIES (APR 05).

a. The Exchange will pay for all utilities, to include heat, power, water, sewage service, and trash removal unless otherwise provided in the contract. The Exchange will not be liable for losses caused by interruptions of utility service.

b. Concessionaire will pay for connecting and disconnecting utilities to concessionaire furnished equipment.

c. Concessionaire will pay all costs for telephone service used in performance of this contract. The concessionaire will publish the phone number in all listings by identifying the type of business or the Exchange Corporate Identity, as applicable, followed by the installation name (i.e., Barber Shop, Hill AFB, or Stripes the Alterations Place, Hill AFB).

d. Concessionaire and concessionaire employees will comply with the Exchange energy conservation programs. Concessionaire furnished equipment requiring utilities hookup will comply with the Exchange energy conservation policy. Concessionaire furnished equipment determined by the contracting officer to be energy inefficient will be replaced with acceptable equipment at concessionaire's expense.

11. INTERNAL CONTROLS (JAN 05).

Concessionaire will keep a complete and accurate accounting of all transactions including, but not limited to, facility sales, route sales, online sales, organization sales, etc.

a. Cash Registers. The concessionaire will provide and maintain cash registers, either Electronic Cash Registers (ECR) or an Electronic POS System as required in the exhibit titled Concessionaire Furnished Equipment and as described below. Cash register procedures follow:

(1) Concessionaire will obtain the written approval of the exchange representative on the Exchange Form 6550-27, Contractor's Cash Register Record, before a cash register is placed into or removed from service. The approval will document the information listed on Exchange Form 6550-27 and be signed by the exchange representative and the concessionaire. The concessionaire will immediately notify the exchange representative if a cash register becomes inoperative. Sales will be recorded on the Exchange Form 6550-9, Customer Daily Sales Register, until the inoperative register is repaired or replaced. An Exchange Form 6550-27 must be completed when the inoperative register is removed from service and again before it is returned to service or replaced.

(2) All sales (cash, charge card or deposit) will be recorded on the cash register when the transaction is made. Service and merchandise sales will be recorded separately on the designated keys of the cash register. The customer will be given a cash register receipt for the sale.

(3) Refunds, overrings, void transactions and readings before and after test rings made for other than recording sales (e.g., repair) will be documented using the Concessionaire Cash Register Adjustment Voucher, the Exchange Form 6550-24. If the contract requires a cash register with a sales form validation feature, the concessionaire will validate the adjustment vouchers. Attach one copy of completed vouchers, signed by the customer or repairman and concessionaire or concessionaire's designee, to the Z reading receipt tape submitted with the Concessionaire's Settlement Report, Exchange Form 6550-10. All other deductions from sales must be supported as required by the contracting officer.

(4) The concessionaire will Z read cash registers daily at close of business. At the monthly cut-off, concessionaire will Z read the register and remove the register tape. Write the activity/branch number on the tape, Z read, then X read the register again to put the opening readings on the next month's tape. Submit Z reading receipt tapes for each settlement period with the Salesclerk Daily Report/Register Summary Report to the supporting exchange accounting office. Cash register journal tapes will be retained by the concessionaire for six (6) months.

(5) Only cash, checks, and other cash instruments received from sales, and established change and petty cash funds will be placed in cash registers. All cash register disbursements such as customer refunds or petty cash purchases must be supported by an appropriate refund or petty cash voucher.

b. Electronic Cash Register (ECR) - The ECR will be a general purpose unit for use in a small business environment.

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General Specifications:

(1) Key functions: The following key functions are required:

(a) Department Keys: A sufficient number of department keys to accommodate the number of services and/or different fee percentages is required by this contract.

(b) Numeric Keys: Includes 0-9 keys that are used in entering quantity, price and other values as required. Decimal point will be automatic where required.

(c) No Sale Key: Other than the emergency release feature, the no sale key must be the only key that opens the cash drawer when the machine is outside of a transaction. No other keys may be used in conjunction with the no sale key. The no sales feature must produce a transactional counter printout on the X and Z readout tapes.

(d) Refund Key: Used to refund a completed transaction. Must have separate resettable totalizer which will not subtract nor add to the non-resettable grand totalizer.

(e) Tax Key: A tax key programmable for various tax rates in accordance with the particular state/host country law. Taxes must totalize on the X and Z readout tape. The register should provide for manual entry of tax amounts different than the programmed amount.

(f) Item Correct/Void Key: Used to void item operations within a transaction. Must have a separate resettable totalizer which will not subtract nor add to the non-resettable grand totalizer.

(g) Validation Key: A validation key and slip printer capability. Validation print will be on an item basis, not a transaction basis, printing only a single line of data on a single or multiple copy form.

(h) Other Keys: Other keys may be used as determined by the concessionaire. Registers with received-on-account, paid out, or other features that subtract from the department total and non-resettable grand totalizer must have those features blocked for non-use.

(2) Physical: The ECR may be unified or modular in design with overall uniform dimensions not to exceed 21" deep x 20" wide x 18" high. The cabinet will be made of durable molded plastic type material or other heavy duty construction that is stain resistant and easy to clean with general purpose household cleaners. All hinges, locks, latches, mounting brackets and other cabinet hardware will be constructed of metal or other equally durable material that is rust resistant and designed for heavy daily use. The register will be designed to insure that miscellaneous items such as paper clips, metal staples, coins and etc. cannot accidentally enter or fall into the register.

(3) Cash Drawer: The cash drawer will be of heavy duty construction designed for constant daily use. It will have an emergency release mechanism preferably located under the drawer. The ECR must have a closed drawer feature to prevent register operation unless the drawer is closed and fully latched.

(4) Keyboard: The keyboard shall be the basic mode of information entry. It shall consist of 10-numeric value keys arranged in standard adding machine configuration, functional keys as required to perform all cash register functions and transaction keys to perform all required cash register transactions. An audible tone will sound when a key is depressed or an error is made.

(5) Displays: Operator and customer displays are required. Both will be large, easy to read panels having a minimum character height of 1/2 inch. It will display a minimum of 8 numeric values and required transaction indicators. The customer display must be viewable by customers at all times.

(6) Printer Tapes: Must print a Customer Receipt Tape and a Journal Tape.

(a) Customer Receipt Tape will print header, proper descriptors (including department number) next to amounts and the date. Receipt print shall be legible and self-explanatory and be identified with a cash register number and a transaction number.

(b) Journal Tape will contain the date, each transaction total, no sales, voids, refunds, X and Z readings and a non-resettable customer or transaction counter printed on it. It shall be legible and self-explanatory. Changing of receipt and journal tape will not require removal of any part of the print mechanism or electroplate.

(c) ECRs will have a Customer Receipt and Journal Tape (two station) alpha/numeric dot matrix printer units. Unified ECRs will have a "fixed" self-contained, 2-station printer unit with either a drum or alpha/numeric, dot matrix print element.

(d) The 2-station printer receipt and journal paper will be single-ply rolls having identical dimensions to allow one size roll to fit both printers. Paper will be either 38MM or 44MM wide. The receipt and journal will space and

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feed paper independent of the other.

(e) The journal tape will be automatically rolled and stored in a compartment.

(7) Grand Totalizer: Must have a non-resettable grand totalizer, non-resettable Z reset counter and non-resettable transaction counter. It must produce an X and Z readout tape totaling each/all functions of the register. The non-resettable grand totalizer and Z reset counter need not print on the X tape. The Z readout, after initial printing, must clear all totals except the three non-resettable totalizers.

(8) Electronic Memory Unit: Will identify by letter abbreviation or numerical identification department numbers, total, change, amount tendered, X and Z operations and any other salient features of the ECR.

(9) Totals and Counters:

(a) The register shall have the capability to total all departments with each having a separate total that accumulates net sales, i.e., sales minus refunds and voids.

(b) Grand Totals: The grand total shall be the result of accumulating gross sales data unaffected by refund and void key entries, i.e., it shall not be decreased by refund and void key transactions. The grand total will be non-resettable, nine-digit capacity and will print on the receipt and journal when read (X read operation).

(c) Counters: All counters will be four-digit capacity and non-resettable providing a continuous count for customers or transactions.

(10) Power Requirements: The equipment will have a factory installed, internal power supply that is designed to operate using the commercially available power within the Exchange facility.

(11) Memory Protection: The register will be fully operational after power interruptions or outages without any loss of programming parameters or accumulated totals for a minimum of 125 hours. Register with operating memory on/off switch is not acceptable.

c. Electronic POS System. Offerors who have not previously obtained the Exchange approval of their Electronic POS System must send a request to the contracting officer with adequate information demonstrating the capabilities of the system and its compatibility with paragraph 11, Internal Controls, of Exhibit C, Special Provisions. If the request is not approved, offerors must provide the Electronic Cash Register as identified in paragraph 11.b. above. When an Electronic POS System is approved in writing by the Contracting Officer, the requirements of 11.a.(3) and 11.a.(4) above are not waived. However, in lieu of the Exchange Form 6650-24, Concessionaire Cash Register Adjustment Voucher, the concessionaire may use a printed POS form completed in accordance with paragraph 11.a.(3). The requirements of paragraph 11.a.(4) are waived only if the POS system has an electronic journal tape. All other requirements of this Special Provision still apply. Concessionaire must supply all documents described in their approved system procedures with each settlement report. Modifications of the approved procedures and reports will require written approval of the Contracting Officer prior to implementation.

d. Forms. The following procedures apply if customer property is accepted for servicing, a deposit is collected, an item is rented, an item is sold on layaway, an item is purchased to be delivered, or an item is ordered for customers.

(1) Concessionaire will provide prenumbered claim tickets, work orders, sales forms, or order forms as appropriate, acceptable to the contracting officer. Forms will list concessionaire's name, followed by the phrase "Exchange Service Concessionaire." Where the contract specifies that the concessionaire will perform under an Exchange Corporate Identity, the phrase "Exchange Service Concessionaire" will be replaced with the name and logo of the Exchange Corporate Identity. A separate number series will be used for each outlet and forms will be numbered to preclude repetition of numbers during the contract. Concessionaire will submit a list of forms assigned for use by each outlet or route to the supporting exchange office. Distribution of copies will be prescribed by the contracting officer.

(2) Concession activities accepting customer property for servicing or processing will use claim tickets providing spaces for the following information as applicable: (a) date of order, (b) customer's name, rank, organization or address, and telephone number, (c) description of customer property, (d) list of each service performed, (e) charge(s) for each service, (f) sales tax if applicable, and (g) the following: "If the property identified on this order is not picked up within 90 days after the item is ready, the customer donates and transfers all right, title, and interest in the property to the Army and Air Force Exchange Service." (In case of privately owned vehicles left for servicing, the customer will be required to sign adjacent to the clause on the concessionaire copy of the order.)

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(3) Forms will be used in numerical sequence. Voided forms will be annotated with the number of the form used to replace it and processed as a completed transaction. Customer identification and a full description of each product sold, or service performed, will be listed on the form and the charge for each item listed separately. Parts and/or products will not be included with service as a single charge. If in Exhibit G, the contract requires a cash register with a sales form validation feature, the concessionaire will validate each form for every sales transaction.

(4) The customer will be furnished a copy of completed form. If a customer calls for property without a claim ticket, require identification, obtain the customer's signature on the control copy, countersign, and indicate the date of pickup.

(5) Route sales will be shown separately on the settlement report.

(6) If a customer picks up a portion of the items listed on a claim ticket, the unclaimed items will be listed on a new claim ticket, and the customer furnished a copy.

(7) Completed forms will be retained in the originating activity for 90 days (1 year for automotive activities) after the applicable settlement report date. After this period, concessionaire will remove forms from the concession activity and maintain at concessionaire's records storage area for three (3) years after final payment under the contract.

e. Customer Daily Sales Register. If a cash register is not required, concessionaire may use Customer Daily Sales Register, the Exchange Form 6550-9. The register will be prepared in duplicate, showing the applicable sales data and signed by the customer. Each sale will be recorded on the sales register at the time payment is made. Customers will be given a receipt showing the name of the concessionaire, item purchased, purchase price, and date of sale. Customer refunds will also be recorded on the sales register. Refund amount will be enclosed in brackets and deducted from register totals. Each refund entry must contain the customer's name, address, telephone number, and signature. Attach a copy of all completed register pages to the settlement report.

f. Cash Control. Cash (including checks) received by the concessionaire from sales becomes the property of the Exchange at time of receipt from customers. Misappropriation or use other than as authorized by the Exchange is prohibited and may result in prosecution. Concessionaire shall be financially liable for loss of cash receipts regardless of cause until such receipts are deposited with and receipted for by authorized the Exchange personnel at the designated cash collection point or a deposit receipt is obtained from the financial institution designated by the Exchange. In the event of loss of receipts, the concessionaire shall reimburse the Exchange the amount established by The Exchange audit.

g. Change Funds: Concessionaire will provide his own change fund, and the general manager will be advised of the amount of the change fund in writing. The authorized change fund will be documented by written authorization from the general manager when provided by concessionaire. The authorization from the general manager will be filed at the concession activity. Concessionaire will not keep funds in the facility in excess of the change fund plus sales receipts unless authorized in writing by the general manager. Any currency found in the facility in excess of the documented change fund plus sales receipts will be considered to be the property of the Exchange.

12. CONCESSIONAIRE SETTLEMENT (NOV 02).

At the close of each business day, concessionaire will prepare the Exchange Form 7200-12, Sales Clerk Daily Report/Register and turn in this form with the Exchange Form 6550-9, Customer Daily Sales Register, and/or cash register Z reading receipt tapes (originals only), as applicable, to the Exchange cash collection point or financial institution designated by the installation general manager. All receipts from sales (cash and checks) will be deposited with the Exchange cash collection point or financial institution designated by the installation general manager. Copies of credit card tickets will be handled in accordance with The Exchange Europe published procedures.

13. FEE PAYMENT (MAY 05).

a. The Exchange shall pay to the concessionaire the fee(s) of the total combined sales of all locations included in the contract in accordance with the Fee Schedule in the contract. Not later than twenty (20) calendar days after the end of the Exchange fiscal month, the Exchange shall submit to the concessionaire, in the appropriate currency equivalent specified in the contract, the full amount due and payable to the concessionaire, less any amounts used to satisfy customer claims and debts due the Exchange under the contract.

b. Upon contract termination or expiration, the Exchange may, at the option of the contracting officer, retain all or any

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part of compensation due the concessionaire for a period of ninety (90) calendar days. Such monies will be used to satisfy customer claims and debts due the Exchange under the contract. The balance will be paid to concessionaire.

14. TAXES (FEB 89).

a. Concessionaire is responsible for determining the applicability of and for payment of all federal, state, host country, and local taxes applicable to the property, income, and transactions of concessionaire. If required by applicable laws and regulations, concessionaire will collect and remit sales taxes to the state or host country, as applicable. Sales taxes which have been collected as required by Clause 30, Prices, will be excluded from the computation of gross receipts. The amount excluded will be listed on the Concessionaire Settlement Report. The amount of taxes excluded will not exceed the actual sum payable to the state or host country. If required by state law, host country or regulation, concessionaire will obtain and conspicuously display the state sales tax permit.

b. Concessionaire warrants that the contract prices or other consideration do not include any tax or duty from which concessionaire is exempt under the laws or agreements of the United States Government, state or host country where this contract is performed. If any such tax or duty has been included in the pricing or consideration through error or otherwise, the contract pricing or consideration will be correspondingly reduced or adjusted. If for any reason after the contract date, concessionaire is relieved, in whole or in part, from the payment or the burden of any tax or duty included in the contract pricing or other consideration, the contract pricing and/or other consideration will be correspondingly reduced or adjusted.

c. If this contract covers an activity involving a Federal Occupational Tax, concessionaire agrees as a condition precedent to engaging in or operating such activity, to tender to the Exchange the amount of any Federal Occupational Tax applicable thereto if payment has not been accomplished by concessionaire, or to reimburse the Exchange the amount of any such tax the Exchange has paid as a result of the operation of such activity by concessionaire. As between the parties of this contract, notice or demand for payment from an office of the U.S. Internal Revenue Service will be conclusive that the Federal Occupational Tax is payable and in the amount so specified to be due.

15. CONCESSIONAIRE AND CONCESSIONAIRE EMPLOYEES (CONCESSION PERSONNEL) (Jan 00).

a. Responsible management will be provided during all hours of operation at the concession activity. The manager or designated representative will be knowledgeable of contract terms and conditions and will have authority to conduct business as required by this contract. Authority will include, but will not be limited to, purchase of operating supplies, maintenance and repair of equipment, training of employees, maintaining prescribed hours of operation, supervision of concessionaire employees, and settlement of customer complaints and claims. The concessionaire will provide written notice to the contracting officer naming the person appointed manager or representative.

b. Concessionaire will furnish a sufficient number of trained, qualified employees to ensure the efficient performance of this contract. New concessionaires will give first consideration for employment to employees of the previous concessionaire, or if direct operated, the Exchange employees.

c. All concessionaire employees having customer contact must be able to read, write, and speak English at a fluency level sufficient for efficient performance of the contract.

d. The concessionaire will, at concessionaire's expense, make employees available for any applicable training according to training dates determined by Exchange management.

e. Concession personnel must meet the health and security standards prescribed by the contract and applicable regulations, and must obtain installation passes, permits, and security clearances when applicable.

f. Concession personnel will be neat and clean. Customer contact personnel will wear attire typical of styles commonly used by the better local commercial facilities of the same trade and as approved by the contracting officer. Nameplates will be worn by all customer contact personnel. For branded facilities the logo nameplate will be provided by the concessionaire. For non-branded facilities, the standard The Exchange nameplate will be worn in the manner prescribed by current directives. Standard Exchange Nameplates will be furnished by the Exchange to the concessionaire at a nominal cost.

g. Concession personnel will give prompt and courteous treatment to authorized customers.

h. Concession personnel will abide by applicable regulations and directives and conduct themselves so as not to reflect discredit on the Exchange.

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i. Concessionaire will discontinue the use of any employee for performance of this contract upon written notice from the contracting officer that the individual is not (or no longer) acceptable for performance under this contract. Concessionaire will not use any such employee to perform other Exchange contracts without the prior written consent of the applicable contracting officer.

j. Concessionaire will not employ any individual for this contract who has been determined unacceptable for performance under any other Exchange contract or has been separated for cause by the Exchange.

16. ACTIONS TO BE TAKEN UPON TERMINATION (INCLUDING EXPIRATION) (JAN 05).

a. If contractor desires to sell, and the Exchange desires to purchase, any or all of the concessionaire furnished property including equipment, furniture and movable trade fixtures, etc., used in the facility by concessionaire for this contract, the value of the property will be jointly agreed upon by both parties. Contractor must show clear title to all items transferred.

b. Concessionaire will promptly settle concessionaire's account with the Exchange including payment in full of all amounts due; yield up the premises, installed property and fixtures, and all The Exchange furnished property, clean and in as good order and condition as when received (damage due to acts of God or the U.S. Government, and ordinary wear and tear excepted); surrender all installation passes, decals, etc., for all concession personnel; and complete satisfactory settlement of all customer complaints and claims. Termination of this contract does not release concessionaire from the obligation to satisfactorily settle customer complaints and claims.

c. Concessionaire will promptly remove all concessionaire furnished property not purchased by the Exchange including equipment, furniture and movable trade fixtures, tools of the trade and supplies. Property will be removed after the close of business on the final day of the contract unless other arrangements have been approved by the local exchange. Upon failure to yield up the premises or remove concessionaire's property as required, the contracting officer may enter the premises, have concessionaire's property removed and stored in a warehouse at concessionaire's expense, and have the premises cleaned and restored at concessionaire's expense. In this event the Exchange will exercise due care in the removal and storage of Concessionaire's property, however the Exchange assumes no liability for any loss or damage to concessionaire property under these circumstances. If concessionaire is indebted to the Exchange, or does not promptly remove concessionaire property, concessionaire authorizes and empowers the contracting officer or their representative to take possession of concessionaire's property and dispose of same by public or private sale without notice, and out of proceeds of sale, satisfy all costs to the Exchange including the costs of sale, handling, storage, etc., and any other indebtedness to the Exchange.

d. If concessionaire is not awarded a follow-on contract, concessionaire will arrange transfer of the activity's telephone number to the new concessionaire unless prohibited by the servicing telephone company.

e. Where concessionaire performed the contract under an Exchange Corporate Identity, concessionaire will cease use of all the Exchange names and identity standards upon the termination or expiration of the contract.

17. INDEBTEDNESS (FEB 89).

a. Concessionaire will pay promptly according to the terms of this contract all indebtedness incurred in connection with performing the contract. If a due date is not specified, payments due the Exchange must be received no later than 15 days after receipt of notice of amounts due. If all amounts due under this or other contracts are not received, at any time thereafter the contracting office may direct by written order that daily receipts be turned over to the Exchange until all amounts owing the Exchange are paid.

b. The Exchange may charge concessionaire for a dishonored check received from concessionaire, except when (1) the bank acknowledges the dishonor to be a bank error or (2) the return is the result of an Exchange error. The charge will not exceed the administrative amount the Exchange normally charges its customers for dishonored checks. The contracting officer may require payment to be made in cash, certified check, or cashier's check.

18. INSURANCE (AUG 06).

a. Failure to maintain insurance throughout the contract is considered a breach of contract and may result in the termination of the contract. Concessionaire will maintain in full force and effect, during the contract, at least the insurance coverage in the Insurance Requirements exhibit.

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b. Concessionaire will be liable for damage, loss or injury to property or persons resulting from acts or omissions of concessionaire, concessionaire's employees or agents, whether or not covered by required insurance

c. The Exchange insurance does not cover any loss, damage, or theft of concessionaire's equipment, tools, or other property in the facility and the Exchange will not be liable for obtaining commercial insurance for the property.

19. PROMOTIONAL EVENTS (APR 05).

Concessionaire will conduct promotional events as specified below:

a. Concessionaire Sponsored (Paid-For) Promotions:

(1) The Concessionaire will participate in all telecommunications providers directed promotions for all services covered under this contract and may also conduct independent promotions at the activity level subject to prior coordination with local exchange management. Promotion programs will be equal to or better than programs offered in the commercial sector by similar businesses.

(a) The specific promotional items/services, discounts, and promotion dates will be coordinated by written agreement between the concessionaire and the Exchange. The agreement need not be in the form of an amendment to the contract.

(b) The concessionaire will provide the exchange a proposed promotional program for the balance of the calendar year within 30 days of contract award. The concessionaire will provide a proposed promotional program during the month of November each year for the subsequent calendar year. The promotional program will describe the items/services to be promoted, the dates of the promotion, and the discounts proposed.

(2) The cost of a telecommunication providers directed or Concessionaire sponsored promotions will be borne by the Concessionaire. Fees payable to the Exchange (Gross Sales) will be based on regular sale price less any discount or fee items customers are entitled to resulting from redeeming coupons.

(3) Concessionaire is encouraged to advertise in media produced primarily for distribution on military installations/bases to authorized customers. Advertising in commercial media not specifically directed towards the military market, when not otherwise prohibited by the contract, requires prior approval of the contracting officer.

(4) If concessionaire operates as a branded business, they will participate in the promotion programs developed by the brand.

(5) Other promotional price reductions for limited time periods may be provided upon written agreement between concessionaire and the Exchange. Such written agreement may provide for temporarily reducing fee in conjunction with the promotional price reduction. The agreement need not be in the form of an amendment to the contract.

b. The Exchange Directed Promotions:

(1) Concessionaire will participate in all the Exchange Special Coupon Booklets/Programs. Periodically, the Exchange will provide customers with special coupons in recognition of events or achievements (i.e. reenlistments, birth of a child, newcomers, educational achievements, deployments, etc.) for use in purchasing merchandise or services that may be provided under this contract at reduced prices. The coupon will show the specific amount of discount customers will be entitled to receive. The Exchange will fund the full cost of the face value of these coupons and the cost of marketing and advertising materials.

(2) Concessionaire will participate in all the Exchange promotions identified in the Promotional Events clause of the Schedule. Cost of these promotions will be as stated in the Schedule and may either be the Exchange funded, concessionaire funded, or shared between the Exchange and the concessionaire.

(3) Concessionaire will participate in any other Exchange directed promotions. These promotions may include, but are not limited to, percentage or dollar off coupons, temporary price reductions, reduced prices for service or merchandise with purchase of regular priced service or merchandise, frequent purchase/loyalty card program, gift with purchase, etc. The Exchange will fund the full cost of these promotions.

(4) When the Exchange directed promotions require the redemption of an Exchange coupon, concessionaire must comply with the following guidelines:

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(a) Concessionaire will honor and redeem all Exchange coupons presented by exchange customers. The coupons are redeemable at face value only towards purchase of specific item/service indicated, subject to compliance with any time limit and/or other restrictions that may be specified. Coupons will not be redeemed for cash.

(b) The regular sell price (price before discount) will be rung on the cash register. The amount of money collected from the customer will equal the regular sell price discounted by the coupon's face value. Concessionaire will calculate fee to the Exchange based on the regular sell price, before considering the discount customers are entitled to resulting from redeeming the special coupons.

(c) If directed by the Exchange, concessionaire will have the customer print and sign their name and print their telephone number and the date on each coupon redeemed.

20. THE EXCHANGE TABLOID/SPECIAL SALES COUPONS AND MERCHANDISE GIFT CERTIFICATE REDEMPTION (APR 05).

a. The Exchange Tabloid/Special Sales Coupons:

(1) Concessionaire will enter the total face value amount of the Exchange Tabloid and Special coupons redeemed during a reporting period on the Concessionaire Settlement Report, the Exchange Form 6550-10. The coupons received and redeemed will be submitted to the supporting exchange accounting office with the settlement report. The supporting exchange accounting office will verify the coupon amount.

(2) Concessionaire will deduct the total face value of the coupons redeemed from fee payment unless otherwise specified by the contract.

b. The Exchange Merchandise Gift Certificates:

(1) Concessionaires will follow all current Exchange policies and procedures regarding acceptance and processing of gift certificates, as set out in the Exchange EOP 40-11 (Special Retail Programs).

(2) Concessionaire will honor the Exchange Merchandise Gift Certificates and redeem for any combination of merchandise and cash back. The Exchange Merchandise Gift Certificates cannot be redeemed for cash only at concession activities. Customers who wish to redeem certificates for cash only must do so at any Exchange direct retail facility.

(3) Concessionaire will ensure that Gift Certificates have been properly completed by both the Exchange and the customer. Review for the following information on certificates:

(a) Recipient's name must be written on the "Payable To" line of gift certificate.

(b) Value of gift certificate must be written in both numbers and words. The amount in numbers must agree with amount written in words.

(c) Ensure that the issuing Exchange Name, 10-digit facility number and a date are indicated on the gift certificate.

(d) Ensure that all Gift Certificates presented are originals and not copies.

(4) Ring the merchandise selected and total the sale.

(5) Tender the amount of the gift certificate(s) as Cash.

(6) If the amount of the sale is greater than the face value of the certificate(s), collect additional amount due from customer. If the amount of the sale is less than the face value of the certificate(s), give the customer change.

(7) Write the current date and the word "REDEEMED" on the front of the gift certificate(s) and ask the customer to endorse the back of the certificate(s).

(8) The Exchange will reimburse concessionaire for amount of valid gift certificates redeemed by exchange customers as follows:

(a) Concessionaire will enter the total face value amount of gift certificates redeemed, during a reporting period, on the Concessionaire Settlement Report, The Exchange Form 6550-10, and deduct the gift certificate amount from fee payment due the Exchange.

(b) The gift certificates received and redeemed will be submitted to the supporting exchange accounting office with the settlement report. The supporting exchange accounting office will verify the gift certificate amount.

21. REFUNDS (DEC 88).

a. Concessionaire will be responsible for refunds to customers for customer dissatisfaction with an item or service or

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for any overcharges to customers. Should concessionaire refuse or fail to promptly make any refund of overcharges to a customer, the Exchange may make the refund and charge the amount to concessionaire's account. If a customer cannot be located or if refund to a customer is otherwise not practicable as determined by the contracting officer, concessionaire will pay the amount of the overcharge to the Exchange within 15 calendar days from date of demand by the Exchange.

b. Requests for refunds not promptly honored are considered complaints or claims subject to the provisions of the Customer Complaints and Claims clause.

22. CUSTOMER CHECKS (MAY 05).

Customer checks will be accepted by the concessionaire in accordance with the following procedures:

a. The check will be approved by the Exchange Check Verification System, or

b. Concessionaire will insure that the customer's name and address are printed or handwritten on the check. The customer's name will be compared with the customer's ID card. Concessionaire will verify that the customer's social security number from the customer's ID card is not on the current Exchange Check Suspension List. (DO NOT RECORD THE SOCIAL SECURITY NUMBER OF CUSTOMER'S CHECK.) A copy of the Exchange Check Suspension List will be furnished the concessionaire by the local general manager. The Exchange reserves the right to charge the concessionaire for any checks that are accepted by the concessionaire when the Exchange can prove that the individual's SSN was on both the Exchange Check Verification System and on the applicable Exchange Check Suspension List at the time the check was accepted.

23. SAFEGUARDING OF CONCESSIONAIRE FUNDS ON ARMY AND AIR FORCE INSTALLATIONS (DEC 88).

a. When more than \$100 are kept in the concessionaire facility during non-operational hours, funds will be secured in a steel safe equipped with a three-position combination tumbler locking device.

b. When more than \$500 are held in the concessionaire facility during non-operational hours, the safe must:

(1) be secured to the premises by being encased in a concrete bed; or

(2) be bolted or steel-strapped to a floor beam or an internal wall support beam with the bolts or straps concealed to prevent cutting or prying; or

(3) weigh in excess of 1,000 pounds.

24. CHARGE CARD AND MILITARY STAR CARD SALES (MAY 05).

a. Charge Cards: Concessionaire will accept Visa and MasterCard. Concessionaire may also accept other recognized U.S. commercial charge cards.

(1) Concessionaire will accept the GSA Smart Pay Card and Government Purchase Card (GPC) from authorized customers and DoD civilians for official purchases upon presentation of the charge card and a Government Identification Card.

(2) Concessionaire is responsible for the payment of any fees, charge backs, and other arranged costs levied by the charge card issuing companies. If concessionaire uses the Exchange furnished verifone to process credit cards other than Military Star Card, there will be a 2.0% charge.

(3) Credit cards will be processed in accordance with current Exchange Europe published procedures.

b. Military Star Card:

(1) Concessionaire will accept the Military Star card for products/services as authorized in this contract. Primary responsibilities are as follows:

(a) Concessionaire will report such sales on the Salesclerk's Daily Report/Register Summary Report in the same manner as other credit card sales.

(b) The Exchange will provide procedures and forms required to process the Military Star card credit transactions.

(c) Concessionaire will be charged a processing fee of 2.0% of all Military Star card transactions, to include sales tax, less merchandise refunds or adjustments, which will be deducted from the Exchange reimbursement to the concessionaire. The fee percentage may be administratively reduced by the Exchange without contract amendment.

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(d) The Exchange will pay the Concessionaire in accordance with Clause 13 of this exhibit.

(e) The Exchange will be responsible for collection of Military Star card account balances from customers.

(f) Concessionaire will handle refunds and adjustments under the Military Star card program in the same manner as other credit card sales.

(g) The term "daily sales receipts" in Special Provision 17, "Indebtedness", is expanded to include any funds payable to the concessionaire under the Military Star card program.

c. When the charge card sales for the month exceed the amount of cash and checks turned into the Exchange, a condition known as "negative balance" may occur. Concessionaire must clear negative balances within 5 business days after receipt of their Exchange Concession Statement of Earnings and Deductions. If condition continues over two consecutive months, concessionaire will be required to deposit with the Exchange accounting office an average month's sales for a compensating balance. The deposit will be refunded to the concessionaire within 90 days of the expiration or termination of the contract, less any amounts due the Exchange. No interest will accrue to concessionaire on the deposit while held by the Exchange.

d. The Exchange Europe assigns its claims against the credit card companies to the concessionaire.

25. INSPECTIONS (MAR 00).

a. The Exchange contracting officer, or any person designated by the contracting officer, may conduct inspections to ensure compliance by the concessionaire with all provisions of this contract.

b. The Exchange may perform surveillance to verify concessionaire and concessionaire employee compliance with contract terms and to detect theft of government funds in accordance with host country laws. Surveillance may include the use of electronic equipment. Concessionaire will inform employees that such surveillance may be conducted and that individuals implicated may be prosecuted in Federal courts. Concessionaire will obtain written certification from all employees that they have been so informed and will maintain the certification on file for the period of the contract. A form for this certification is available from the contracting officer.

c. Concessionaire is liable and will pay the Exchange for losses under this contract detected by surveillance or otherwise discovered or incurred.

26. SMOKING POLICY (DEC 86).

The smoking policy for concession operations will be as directed by the general manager.

27. THE EXCHANGE/VENDOR PARTNERSHIP MARKETING PROGRAM (JUL 94).

The Exchange Marketing Program consists of numerous elements to enhance the sale of consumer products and services. At the Concessionaire's request, the Exchange will give the Concessionaire the opportunity to participate in selected elements of the Program. All participation will be in conjunction with the sale of authorized products and services to authorized customers. The Exchange reserves the right to limit the degree of participation based on availability, designated themes of special events, and the overall goals of the program.

28. ORGANIZATIONAL SALES (NOV 00).

Concessionaire may sell items to authorized official organizations and activities of the U.S. Armed Forces. Sales will be recorded on the cash register at the time the sales transaction is made. Any losses incurred as a result of organizational sales are concessionaire's responsibility.

29. SCOPE OF SERVICE/MINIMUM QUALITY (DEC 88).

Concessionaire will only sell merchandise and services specifically set out in the Price Schedule exhibit of this contract. Items sold under this contract will be in good taste. Merchandise and services provided under this contract will be equal to those provided by first quality commercial establishments.

30. PRICES (MAY 99).

a. Articles stocked for sale will be individually price marked.

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b. Concessionaire will only charge the prices established in the Price Schedule exhibit of this contract.

c. Where a state or host country law imposes a sales tax on the sale of the item and/or service, the sales tax will be stated separately from the sales price, added to the price in the Price Schedule exhibit, and collected from the customer.

31. PRICE/FEE REVISIONS (JAN 87)

The prices and fees established in this contract will remain firm throughout the term of the contract unless revised according to the following:

a. The contracting officer may initiate a price increase or decrease or grant one at request of the concessionaire. A price increase or decrease will be at the sole discretion of the contracting officer. In the event of a price decrease, the fee to the Exchange will be decreased to result in the reduction of income due to the price decrease being absorbed by the Exchange. Any increase/decrease in concessionaire expenses directly attributable to price revisions will be taken into consideration by the contracting officer in computing the appropriate fee change.

b. The contracting officer will make such price/fee revisions by issuing a unilateral contract amendment to become effective on the date indicated in the amendment. The concessionaire will implement the prices on the date established in the amendment. The fee revision will be considered final unless concessionaire submits a request for reconsideration to the contracting officer within 30 days after receipt of the amendment. A request for reconsideration may only be based on the fact that the contracting officer's fee revision will result in loss of income to the concessionaire which can be directly attributed to the price revision. After receipt of a request for reconsideration, the contracting officer will reconsider the action and issue a final decision under the Disputes clause of this contract. However, nothing in this clause will excuse the concessionaire from proceeding with implementation of the revised prices on the date established in the amendment.

c. If this contract contains a Base Currency Exchange Rate (BCER), fee revisions may be effected in conjunction with revisions to the BCER.

32. PROPOSALS IN ENGLISH (MAR 11).

Documents submitted in response to this solicitation and contract shall be in the English language. Documents received in other than the English language may be rejected.

33. CUSTOMS (AUG 10).

The Concessionaire is responsible for complying with all custom directives and regulations, payment of all custom duty and obtaining appropriate documentation to substantiate compliance.

***** END OF EXHIBIT *****

EXHIBIT D – PRICE SCHEDULE

1. The Concessionaire will stock and sell an assortment of mobile devices (handsets, air cards, etc.) at various price points, prepaid mobile recharge/refills/cards, SIM cards in adequate quantities, and mobile accessories in adequate quantities to support this contract for both post paid and prepaid mobile services. Concessionaire will offer their complete service plans and product lines at the military Installation(s) with the most popular devices, prepaid mobile recharge / refills / cards and SIM cards and accessories in stock. The range of products and services provided under this contract will be equal to or exceed what is provided by first quality commercial establishments. **The Concessionaire must sell the below identified mobile products and services from both Vodafone and T-Mobile at all Installations authorized in Exhibit H, Installations. Products and/or Services beyond those listed herein may only be offered with the prior approval of the Contracting Officer.**

2. The products and services to be offered and the sell prices are outlined below. Concessionaire shall extend all carrier offered military discounts and/or promotions. **When a VAT exemption is permissible, sell prices shall be ten (10) percent less than the local market prices (inclusive of Value Added Tax (VAT)). For example, if the local market price with VAT is €119; then, Concessionaire's sell price to authorized Exchange patron would be €107.10 is €119 x (1.00 - 0.10).**

Customer Charges	Description	Sell Price
Post paid Monthly Recurring Service Plans (all voice and data)	A service contract is offered to the customer for various mobile voice and data plans covering a specified period of time. A mobile device bundled with a service plan may be offered at reduced cost, based on a minimum service contract period.	If VAT exemption exists, sell price shall be ten (10) percent less than local market prices as indicated above. Otherwise, sell prices shall be competitive with the best prices offered for mobile plans in the local market. The Concessionaire's price will either match or be lower than the local market prices.
New Account Activation Charges	One time charges for activations or new account establishment for service plans. Applicable to Post paid or Prepaid.	If VAT exemption exists, sell price shall be ten (10) percent less than local market prices as indicated above. Otherwise, sell prices shall be competitive with the best prices offered in the local market area. The Concessionaire will match or be lower than local market advertised pricing on same products and services.
Mobile device (handsets, aircards, SIM card, etc.)	Mobile devices (handset, air card, SIM card, etc.) that can be purchased with or without a service agreement.	If VAT exemption exists, sell price shall be ten (10) percent less than local market prices as indicated above. Otherwise, sell prices shall be competitive with the best prices offered in the local market area. The Concessionaire will match or be lower than local market advertised pricing

EXHIBIT D – PRICE SCHEDULE

		on same products and services.
Prepaid Kit	Packaged prepaid mobile device with prepaid airtime and battery charger included.	If VAT exemption exists, sell price shall be ten (10) percent less than local market prices as indicated above. Otherwise, sell prices shall be competitive with the best prices offered in the local market area. The Concessionaire will match or be lower than local market advertised pricing on same products and services.
Prepaid Mobile Recharge / Refills / Cards Minutes, etc.	Recharge / Refill / Cards that adds airtime to customer's devices that require prepaid mobile network. Must support all the mobile carrier's plans offered under this contract. NOTE: the Concessionaire may offer recharge / refill / cards to support mobile carrier's plans not offered under this contract	If VAT exemption exists, sell price shall be ten (10) percent less than local market prices as indicated above. Otherwise, sell prices shall be competitive with the best prices offered in the local market area. The Concessionaire will match or be lower than local market advertised pricing on same products and services.
Mobile Accessories	Auxiliary items that enhance the usability and convenience of the mobile devices. Mobile accessories may be purchased without a mobile activation and/or service plan.	If VAT exemption exists, sell price shall be ten (10) percent less than local market prices as indicated above. Otherwise, sell prices shall be competitive with the best prices offered in the local market area. The Concessionaire will match or be lower than local market advertised pricing on same products and services.

3. Price surveys will be conducted at least annually or more often if dictated by market changes to verify Concessionaire is in compliance with matching or lower the local market advertised pricing on same products and services.

4. When carriers introduce new devices, Concessionaire will verify and inform the Contracting Officer, when they will be able to offer the new device to the military customer at the Exchange concession.

***** END OF EXHIBIT *****

EXHIBIT E – FEE SCHEDULE

1. Concessionaire agrees to accept as compensation from the Exchange either a percentage or fixed amount listed below for each service provided pursuant to the contract.
2. Fee will be paid on total adjusted gross sales (Gross sales less taxes, returns, and deposits). No other adjustments to gross sales are authorized without express written approval of the Contracting Officer.
3. Concessionaire is responsible for uncollectible debt and shall not deduct uncollectible debt or offset uncollectible debt from gross or net sales.
4. Bid the amount you wished to be paid per activation, subsection a below, and in no event will the Exchange pay more than the activation price levied through the customer.
5. Bid the amount you wished to be paid per Upgrade, subsection b below, and in no event will the Exchange pay more than the activation price levied through the customer.
6. For every new activation, monies due to the concessionaire from the Exchange will be debited in the amount indicated in paragraph 7.a below.
7. For every Postpaid Upgrade, monies due to the concessionaire from the Exchange will be debited in the amount indicated in paragraph 7.b below.

	Monthly or Unit Fee to the Concessionaire (€ OR %)	Definition and Calculations
a New Activation (all voice and data plans)	(b)(4)	Fee paid to the Concessionaire will be based on number of new carrier activations. Please enter the fee for each new activation. The Exchange will deduct from the amount due and payable to the Concessionaire for airtime residuals, prepaid kits, prepaid recharge/refill cards, devices and accessories a fee equivalent to the tariff rate (currently €24,95) less the fee to be paid the Concessionaire as indicated in Exhibit E, Fee Schedule Monthly or Unit Fee to the Concessionaire for New Activations. This fee will be deducted per above, regardless if activation fee to the Exchange patron is waived. Does not include activations included as part of the Prepaid Kit Sales (see below). See paragraph 11 for example of calculating amount due and payable Concessionaire.

(Best and Final Offer)

EXHIBIT E – FEE SCHEDULE

b	Post Paid Upgrades (all contract renewal or extensions)	(b)(4)	Fee paid to the Concessionaire will be based on number of carrier upgrades. Please enter the fee for each PostPaid Upgrade. The Exchange will deduct from the amount due and payable to the Concessionaire for airtime residuals, prepaid kits, prepaid recharge/refill cards, devices and accessories a fee equivalent to the tariff rate (currently €24.95) less the fee to be paid the Concessionaire as indicated in Exhibit E, Fee Schedule Monthly or Unit Fee to the Concessionaire for PostPaid Upgrades. This fee will be deducted per above, regardless if activation fee to the Exchange patron is waived. See paragraph 11 for example of calculating amount due and payable Concessionaire.
c	Airtime Residual Fees (all voice and data plans)	(b)(4) %	Fee paid to the Concessionaire based on monthly recurring charges for post paid accounts.
d	Prepaid Kit sales	(b)(4) %	Fee paid to the Concessionaire based on monthly gross sales of all packaged prepaid mobile device including SIM card (activation included), prepaid airtime and battery charger. (Please provide % to be assessed for each sale.)
e	Prepaid recharge / refill / cards	(b)(4) %	Fee paid to the Concessionaire based on monthly gross sales of all airtime to customer's devices that require prepaid mobile network. (Please provide % to be assessed for each sale.)
f	Devices (handsets, air cards, SIM cards etc.)	(b)(4) %	Fee paid to the Concessionaire based on monthly gross sales of mobile devices (handset, air card, SIM card, etc.). Note: Fees due for devices sold as part of activation will be based on customer net price. Devices financed by the Concessionaire are subject to fees.
g	Accessories	(b)(4) %	Fee paid to the Concessionaire based on monthly gross sales of mobile accessories (chargers cases, blue tooth, etc.) purchased.

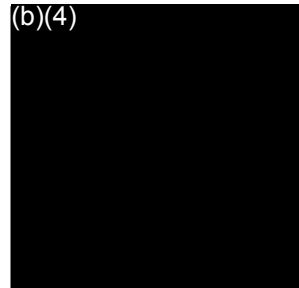
(Best and Final Offer)

EXHIBIT E – FEE SCHEDULE

8. List of Carriers to be provided:

- Mobile Service Provider #1: (Mandatory – Vodafone)
- Mobile Service Provider #2: (Mandatory – T-Mobile)
- Mobile Service Provider #3 (Additional – Optional):

- Mobile Service Provider #4 (Additional – Optional):
- Mobile Service Provider #5 (Additional – Optional):
- Mobile Service Provider #6 (Additional – Optional):

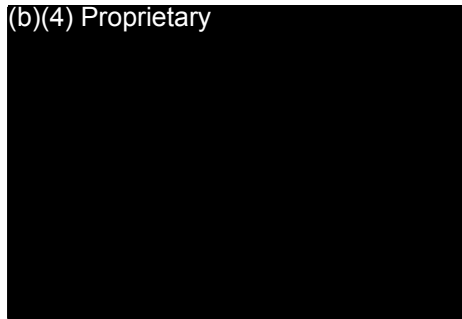


9. The Concessionaire will be responsible for 100% daily turn in of cash receipts in accordance with Exhibit C, Special Provisions, Concessionaire Settlement clause. At the end of each Exchange fiscal month, the Exchange will remit payment to the Concessionaire in accordance with Exhibit C, Special Provisions, Fee Payment clause. Payment from the Exchange to the Concessionaire will be made in Local Currency in accordance with the provisions of this contract. The rate of conversion from U.S. dollars to Local Currency will be computed by taking an average of the military banking daily exchange rate (ADER) for the period of the reimbursement. For the purpose of this computation, calendar days in the period will be used. (The daily exchange rate for each calendar day in the period will be added together and divided by the total number of calendar days during the period to determine the average daily exchange rate.)

- a. The Concessionaire is responsible for giving the Contracting Officer the payment address, at the time of contract award. If the payment address changes during the contract period, the contractor must notify the Contracting Officer in writing.

- BANK NAME
- BANK ADDRESS

- ACCOUNT NO.
- BANK CODE



(Best and Final Offer)

EXHIBIT E – FEE SCHEDULE

10. Concessionaire shall submit a monthly Settlement reports for each Installation being serviced and a Summary Settlement report summarizing the activity at all Installations in accordance with Attachment A to this Exhibit.

- a. This report shall be electronically transferred as an attachment in Excel format to the following Internet addresses no later than 15th calendar day of the month following the end of the reporting period. Reporting periods are the Exchange fiscal month reporting periods provided to the contractor after award. For example: Reporting period ends 29 Jan the report would be due 15 Feb; Reporting period ends 2 Feb the report would be due 15 Feb. When the due date falls on a Saturday, Sunday or Federal Holiday the due date will be due the next workday.

(b)(6) Privacy and DoD Names
List

- b. An additional copy of the summary report shall be provided to:

Services Business Manager (SBM) at each Installation

(b)(6) Privacy and DoD
Names List

EXHIBIT E – FEE SCHEDULE

11. Below example is for demonstration purposes only and is not intended to be represented of true #activations/upgrades, sales, or Fees to Concessionaire.

Category	#Activations/Upgrades	Sales	Exhibit E, Fee Schedule Monthly or	
			Unit Fee to Concessionaire	Fees Payable Concessionaire
Airtime Residuals	NA	€500,000	95%	€475,000
Prepaid Kits	NA	€500,000	70%	€350,000
Prepaid Recharge Cards	NA	€500,000	80%	€400,000
Devices	NA	€500,000	70%	€350,000
Accessories	NA	€500,000	65%	€325,000
SUBTOTAL		€2,500,000		€1,900,000
(LESS) New Activations	500		€ 12.50	(€ 6,250)
(LESS) Upgrades	700		€ 12.50	(€ 8,750)
AMOUNT DUE AND PAYABLE TO CONCESSIONAIRE				€1,885,000

***** END OF EXHIBIT *****

(Best and Final Offer)

1. The Concessionaire will maintain, during any contract period, insurance coverage listed below, with insurance company(ies) acceptable to the Exchange. All required liability insurance coverage will include the United States and the Exchange (AAFES) as additional insureds for claims, demands, suits, judgments, costs, charges, and expenses arising out of or in connection with any loss, damage, or injury resulting from the negligence or other fault of Concessionaire, or Concessionaire's agents, representatives, or employees.
2. The insurance coverage to be maintained is:

a. The following coverage in amounts complying with state, host country or military installation requirements, whichever is greater, where this contract is performed:

1. Worker's Compensation and Employer's Liability Insurance
2. Automobile Bodily Injury and Property Damage Liability for vehicles operated in performance of this contract by the Concessionaire or Concessionaire's agents or employees on the military installation, whether or not owned by Concessionaire.

b. The Concessionaire will maintain at their own expense with Insurance companies acceptable to the Exchange the coverage listed below or may elect to have such coverage provided through an insurance company selected by the Exchange at Concessionaire's expense by marking the box in paragraph c below. If the Concessionaire provides his own insurance coverage, Concessionaire will furnish the Contracting Officer with a current Certificate of Insurance, ACORD Form 25-S, showing the insurance is in effect prior to the commencement date of the contract, and will no less than 60 days prior to expiration of such coverage furnish the Contracting Officer with a Certificate of Insurance, evidencing continuation of coverage. In the event evidence of insurance Coverage is not received before commencement date of contract performance, or date thereafter as approved by the contracting officer, the Concessionaire will be automatically provided coverage by AAFES and the provisions of paragraph 1.c., this exhibit, will apply. The Certificate of Insurance must show the United States and AAFES as additional insureds for all required liability coverage. The "INSURED" block of the Certificate of Insurance must list both the Concessionaire's name and the Exchange contract number.

1. **Commercial General Liability** in minimum limits for Bodily Injury and Property Damage:
 - i. \$1,000,000 Each Occurrence Limit
 - ii. \$2,000,000 General Aggregate Limit

This insurance policy will be written on an "occurrence" basis. A policy written on a "claims made" basis is not acceptable.

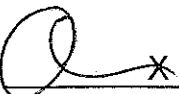
c.  I desire that coverage in paragraph b above be provided through an insurance company selected by the Exchange. The current premium rate for this coverage is \$0.07 per \$100.00

EXHIBIT F - INSURANCE

the premium rate changes during the contract period, Concessionaire's account will be charged the actual premium paid by the Exchange.

3. The Concessionaire agrees to self-insure customer-owned property left for servicing, and to accept sole responsibility until its return to the customer.

4. Insurance for Losses and/or Damages: Contract provisions provide that Concessionaire is financially liable for losses of and/or damages to the Exchange owned merchandise and losses of monies accepted in performance of the contract REGARDLESS OF CAUSE. It is suggested that Concessionaire purchase and maintain insurance coverage for such losses and/or damages. INSURANCE COVERAGE AS DISCUSSED HEREIN IS NOT AVAILABLE FROM AAFES.

*****END OF EXHIBIT*****

EXHIBIT G – PERFORMANCE REQUIREMENTS

1. Concessionaire shall be responsible for providing all products and/or services required by this contract including sales to the customer, service activation, customer service, billing and collection.
2. Concessionaire shall structure the necessary carrier agreements with Vodafone and T-Mobile to allow the Concessionaire to sell each carrier's products and services for the duration of this Exchange contract.
3. Concessionaire shall offer a multi-carrier solution that includes, but is not limited to, Vodafone and T-Mobile at each Installation.
4. Concessionaire shall clearly identify in writing the capabilities and limitations of all devices including use outside the market area. For example, will the iPhone ® purchased in the store work on a domestic service in the United States.
5. Concessionaire shall perform new activations and upgrades within 15-45 minutes on average, regardless of carrier, from the time the customer makes the decision to purchase to the time the activation and upgrade are complete.
6. Concessionaire shall be responsible for inventory to include, but not limited to managing and storage.
7. Stock Assortment:
 - a. Concessionaire shall carry a minimum of 7 to 10 devices for each carrier as a baseline assortment in each retail location.
 - b. Concessionaire shall provide an assortment of phones (locked and unlocked) with multiple form factors as demanded by customer and provided by carriers.
 - c. Concessionaire's assortment shall include all levels of phones from basic phones to smart phones.
 - d. Concessionaire shall update assortment of phones on a regular basis, based on sales performance, new product launches, product innovations, and SKU discontinuations.
 - e. Concessionaire shall provide the Exchange with a monthly listing of devices and top selling phones in each carrier's assortment.

EXHIBIT G – PERFORMANCE REQUIREMENTS

- f. Concessionaire shall carry mobile accessories that are compatible with product assortment being sold. Accessories that are standard in the marketplace including but not limited to additional batteries, travel chargers, car chargers, hands free Bluetooth® devices, carrying solutions, and mobile headsets must be stocked.
8. Concessionaire shall assist customers in changing to a less expensive or more feature-rich service plan, if the Concessionaire offers a better plan than the customer's current plan.
9. Changes in network technology for mobile phones that necessitate an upgrade of products sold under this program require the Concessionaire to provide an amortization schedule showing residual value credit. For example, the network changes to a new generation of digital technology during the life of the contract and the mobile phone will not operate on the new generation digital network. The Concessionaire provides the customer a credit towards the purchase of a new digital mobile phone or the Concessionaire upgrades the customer's phone at the Concessionaire's expense.
10. Concessionaire shall provide English speaking associates that are knowledgeable and trained on each carrier's current and all future offerings. The associates shall assist customers in making impartial informed decisions by providing customers information on the various mobile devices, accessories and services plans.
 - a. Concessionaire shall assist customers in interpretation of Concessionaire/Carrier invoices.
11. Concessionaire shall use phone displays that have the capability to demonstrate select secured live units at each retail location allowing customers to fully understand the functionality of phones.
12. Concessionaire shall ensure displays to include product descriptions, price, features, and promotional materials.
13. Concessionaire shall utilize either Mall Storefronts or kiosks as the format for concession operations
 - a. For Mall Storefronts, the Concessionaire shall be responsible for building out the mall storefront space in accordance with local base and Exchange requirements and regulations, unless otherwise directed by the Exchange. Storefront design shall be subject to the Exchange approval.
 - b. For kiosks in the Mall or PowerZone, Concessionaire shall be responsible for providing kiosks for concession operations. Kiosks shall be subject to the Exchange approval.

EXHIBIT G – PERFORMANCE REQUIREMENTS

- c. Final decisions on space, location within the store, and format will be coordinated by the ATD group with each Exchange no later than 30 days after contract award.
Although space, location, and format may vary, the Exchange desires a standardized décor and appearance e.g., color, signage, fixture, equipment, displays etc.
14. Concessionaire shall bear the financial responsibility for any updates to and replacements of fixture, equipment, displays, etc. related to each store format – Mall storefront and kiosks.
15. Concessionaire shall bear the financial responsibility for telephone and Internet connections, if not provided by the Exchange store.
 - a. Concessionaire shall bear the cost of ongoing services, subscription charges for telephone and Internet services, etc.
16. Concessionaire shall work with the Exchange to develop marketing campaigns.
 - a. The Concessionaire will be responsible for all costs to produce marketing materials for mobile phones services and accessories including provision of point of sale materials for explanation of the products and services at locations on the base where the program is marketed.
17. Concessionaire shall, at the Exchange discretion, allow the use of vendor branding for marketing mobile services
 - a. Concessionaire shall, at the Exchange discretion, use the Exchange branding or co-branding for displays and marketing.
 - b. Concessionaire shall use carrier and/or manufacturer branding for marketing specific mobile products and services.
 - c. Concessionaire shall obtain written approval from the carriers and / or manufacturer, prior to using any carrier branded marketing, as required.
 - d. Concessionaire shall use only the carrier and/ or manufacturer approved logos in connection with marketing products and services of carriers.
18. Brand Recognition: With approval from the Contracting Officer, Concessionaire shall display company name/logo on signing in the shop, in any advertising, and on employee identification badges, shirts, etc. Concessionaire will provide interior décor and signing that meets company (franchise) standards. The Exchange will assist the Concessionaire in obtaining approval of exterior décor and signing by Installation major commands. The Concessionaire acknowledges

EXHIBIT G – PERFORMANCE REQUIREMENTS

that there is no guarantee the Installation will approve exterior signing that is inconsistent with Installation guidelines.

19. Exchange will make available to the Concessionaire Exchange marketing channels including: weekly sales tabloid, buddy lists, in-house radio net, flyers, etc. at the Concessionaire's expense. Use of these marketing channels is optional.
 - a. Concessionaire shall measure advertising and marketing effectiveness via the following methods: conduct control/variable marketing in different stores and compare results, vendor shall advertise in and compare results to established baseline. Concessionaire shall share all performance results with Exchange.
 - b. Concessionaire shall provide cooperative advertising funds and marketing development funds to cover the costs of promoting vendor's products within the military community.
 - c. Concessionaire shall be responsible for managing the marketing campaigns and their cooperative funds or marketing development funds, to support the mobile business.
 - d. Concessionaire shall develop and fund a comprehensive multifaceted campaign in support of the category based on penetration, demographics, pricing, and churn
20. Concessionaire shall be responsible for providing all service required by this contract including sales to the customer, service activation, customer service, and customer billing and collection. The Exchange accepts no financial liability or responsibility for any services provided by contractor to others or obtained by others fraudulently or otherwise.
21. Concessionaire shall provide a single point-of-contact (POC) for program management with Headquarters Exchange in Dallas, Texas, and HQ Exchange will assign a single POC for program management.
22. Concessionaire shall be responsible for obtaining all Installation passes, permits, Letters of Introduction, etc. required in performance of contract, and ensuring that such documents are returned to the proper authority upon contract expiration or termination. See Exhibit A, General Provisions, 26. PERSONAL IDENTITY VERIFICATION OF CONTRACTOR PERSONNEL (MAY 11) for additional compliance requirements.
23. Concessionaire shall coordinate program policies with Exchange that impact customer accounts prior to implementation. It is understood that the Concessionaire has the final authority for these policies, except for those specifically limited by this agreement. All policies impacting Exchange customers must be coordinated with the Exchange Contracting Officer prior to implementation.

EXHIBIT G – PERFORMANCE REQUIREMENTS

24. Concessionaire shall minimize the inconvenience and cost associated with involuntary transfer or deployment of customers outside Concessionaire's service area, where service is not available on the same mobile price plan as chosen by the customer. If a customer presents Permanent Change of Station (PCS) or Temporary Duty (TDY longer than 30 days) orders prior to expiration of the service agreement involving amortization of the device, the customer will have the option to:

- a. For PCS orders, return mobile device(s) purchased from Concessionaire locations without penalty, and be released from payment of the remaining term of contract.
- b. For PCS orders, purchase mobile device(s) for a price to be negotiated between the customer and the concessionaire and be released from payment of the remaining term of contract.
- c. For TDY orders, suspend service and monthly reoccurring fees during periods of involuntary temporary duty out of the mobile service area for periods of 30 days or more.
- d. Where a mobile telecommunications service agreement does not include a phone/device, no penalty will be assessed.
- e. Transfer of customers within the Concessionaire's service area will be made at no charge to the customer.

25. Customer Satisfaction:

- a. Concessionaire shall utilize programs and metrics to ensure high customer satisfaction. These include but are not limited to, leveraging the Concessionaire's sales framework (GUESTS), mystery shoppers, and escalated customer service process.
- b. Concessionaire shall assist in developing and administering two customer satisfaction surveys each year.
- c. Concessionaire shall place follow-up calls within 30 days of either new sale or trouble call. A customer satisfaction survey will be issued with anonymous submission directly to the Exchange.
- d. Concessionaire shall research additional allowances or discounts for military members, as the vendor learns more about the Exchange customer.

EXHIBIT G – PERFORMANCE REQUIREMENTS

26. Returns and Exchanges:

- a. Concessionaire shall support a 30 day return policy for mobile devices(s) purchased from Concessionaire locations without penalty and release the customer from payment of remaining term of contract.
- b. Concessionaire shall support a 30 day exchange policy for devices purchased at Concessionaire's locations.

27. The Concessionaire may offer optional mobile equipment insurance for replacement of instruments and accessories that are misplaced, stolen or damaged with a deductible of no more than \$50. If offered, the Concessionaire must permit 30-day termination either by phone or in writing with no penalty.

28. The Concessionaire shall offer standard warranties that meet or exceed those available in the market area surrounding the installation. Terms on any limitation of warranty on used equipment must be fully disclosed to the customer.

29. Concessionaire shall promote all benefits afforded to Military members (i.e. Military discounts, special carrier plans designed for military, termination/suspension when deployed, etc.)

30. Concessionaire shall accept standard forms of payment from Exchange customers to include but not limited to cash, check, and credit cards.

31. Concessionaire shall accept the Exchange's Military Star Credit Card. Concession operations at Kaiserslautern are not required to accept the Military Star Credit Card.

32. Concessionaire shall, upon contract award, obtain approval of their POS System in accordance with Exhibit C, Special Provisions, 11. Internal Controls (JAN 05):

- a. Concessionaire shall submit a copy of the Electronic POS user guide, manual and sample reports that the electronic system will generate (not an export of the report to excel) to the Contracting Officer. The sample reports should be representative of the reports that will accompany your monthly Settlement Report and will be used by the Exchange to validate your monthly settlement reporting.
- b. The Electronic POS system and reports that accompany the monthly Settlement Report shall be capable of:
 - Recording all sales (e.g. cash, charge card, deposits) at the time the transaction is made

EXHIBIT G – PERFORMANCE REQUIREMENTS

- Recording services and retail merchandise sales separately. This is particularly important if there are different fees identified in the contract.
 - Providing a receipt to the customer for all sales and payments made
 - Providing a printed POS form identifying refunds, over rings, void transactions, other deductions/adjustments from sales readings
 - Providing an electronic journal tape
- c. Once the Electronic POS information is received, the Contracting Officer will evaluate for compliance and issue a written determination. If an Electronic POS System is approved by the Contracting Officer in lieu of a cash register, other requirements of Exhibit C, Special Provision, INTERNAL CONTROLS remain in effect. If the request is not approved, Contractor must provide an approved Cash Register as identified in Internal Control paragraph. Modifications of an approved system (cash register or POS) and reports will require written approval of the Contracting Officer prior to implementation.
33. For marketing promotions that waive or provide credits of customer charges (either whole or partial), the concessionaire shall reflect any such waiver or credit as an individual line item. For example, if a carrier is running a promotion where they advertise "free activation" or "activations waived", Concessionaire shall itemize both the standard activation charge and a separate line item for any and all adjustments.

For every new activation, the Exchange will pay you €24.95 for the activation from the network carrier.

34. Concessionaire shall cooperate with the Exchange to develop and implement a capability to conduct online sales of prepaid recharge/refill /cards. This shall be at no additional cost to the Exchange. All sales from authorized Exchange customers will be subject to the fee(s) identified in Exhibit E, Fee Schedule.
35. Concessionaire shall provide a timeline for rollout to all Installations identified in Exhibit H, Installations, no later than 30 days after contract award. Timeline shall be subject to the Exchange's approval.

*****END OF EXHIBIT*****

EXHIBIT H – INSTALLATIONS

1. The following Installations and buildings/facilities are authorized locations under this contract. Future locations may be added via a contract amendment. Required operating hours are as indicated.

<u>Installation</u>	<u>Building/Facility</u>	<u>Operating Hours</u>
Grafenwoehr	TBD	Mon-Sat: 1000-2000 Sun: 1100-1830
Hohenfels:	TBD	Tue-Fri: 1000-1800 Sat: 1000-1600
Illesheim:	TBD	Mon-Fri: 1000-1800
Katterbach	TBD	Mon-Fri: 1000-1800
Vilseck:	TBD	Mon-Fri: 1000-1800 Sat: 1100-1800
Mainz-Kastel	TBD	Mon-Sat: 1000-1800
Wiesbaden	TBD	Mon-Sat: 1000-1900 Sun: 1100-1800
Heidelberg	TBD	Mon-Fri: 1000-1800 Sat: 1000-1500
Mannheim	TBD	Mon-Fri: 1000-1800 Sat: 1000-1600
Baumholder	TBD	Mon-Sat: 1000-1800
KMCC (Ramstein)	TBD	Mon-Sun: 0900-2100
Sembach	TBD	Mon, Wed, Fri: 1100 – 1800
Spangdahlem	TBD	Mon-Sat: 1000-1800
Landstuhl	TBD	Mon-Fri: 1000-1800
Stuttgart (Panzer)	TBD	Mon-Sat: 1000-1900

EXHIBIT H – INSTALLATIONS

		Sun: 1100-1700
Bamberg	TBD	Mon-Fri: 1000-1800 Sat: 1000-1600
Schweinfurt	TBD	Mon-Fri: 1000-1800 Sat: 1000-1600
Kaiserslautern (Vogelweh) See Note 1		Mon-Fri: 1000-1800

Note 1: Kaiserslautern (Vogelweh) Location will require vendor to provide own temporary facilities. See Exhibit I, Concession Furnished Equipment.

***** END OF EXHIBIT *****

EXHIBIT I – CONCESSIONAIRE FURNISHED EQUIPMENT

1. The Concessionaire will be required to furnish the equipment listed below to support the on-site sales office(s) at each location. The Concessionaire furnished equipment must be new or like new and meet the industry standard and must be acceptable to the Contracting Officer.

Grafenwoehr: (TBD)

<u>Quantity</u>	<u>Description</u>
See 2 below	Electronic Cash Register or Point of Sale System (POS)
See 4 below	Sales Counters
See 5 below	Merchandise Display Case–Glass Front with Lighting
See 6 below	Slat wall fixtures to hang retail merchandise
See 7 below	Customer number waiting system
See 7 below	Other

Hohenfels: (TBD)

<u>Quantity</u>	<u>Description</u>
See 2 below	Electronic Cash Register or Point of Sale System (POS)
See 4 below	Sales Counters
See 5 below	Merchandise Display Case–Glass Front with Lighting
See 6 below	Slat wall fixtures to hang retail merchandise
See 7 below	Customer number waiting system
See 7 below	Other

Illsheim: (TBD)

<u>Quantity</u>	<u>Description</u>
See 2 below	Electronic Cash Register or Point of Sale System (POS)
See 4 below	Sales Counters
See 5 below	Merchandise Display Case–Glass Front with Lighting
See 6 below	Slat wall fixtures to hang retail merchandise
See 7 below	Customer number waiting system
See 7 below	Other

EXHIBIT I – CONCESSIONAIRE FURNISHED EQUIPMENT

Katterbach: (TBD)

<u>Quantity</u>	<u>Description</u>
See 2 below	Electronic Cash Register or Point of Sale System (POS)
See 4 below	Sales Counters
See 5 below	Merchandise Display Case–Glass Front with Lighting
See 6 below	Slat wall fixtures to hang retail merchandise
See 7 below	Customer number waiting system
See 7 below	Other

Vilseck: (TBD)

<u>Quantity</u>	<u>Description</u>
See 2 below	Electronic Cash Register or Point of Sale System (POS)
See 4 below	Sales Counters
See 5 below	Merchandise Display Case–Glass Front with Lighting
See 6 below	Slat wall fixtures to hang retail merchandise
See 7 below	Customer number waiting system
See 7 below	Other

Mainz-Kastel: (TBD)

<u>Quantity</u>	<u>Description</u>
See 2 below	Electronic Cash Register or Point of Sale System (POS)
See 4 below	Sales Counters
See 5 below	Merchandise Display Case–Glass Front with Lighting
See 6 below	Slat wall fixtures to hang retail merchandise
See 7 below	Other

Wiesbaden: (TBD)

<u>Quantity</u>	<u>Description</u>
See 2 below	Electronic Cash Register or Point of Sale System (POS)
See 4 below	Sales Counters
See 5 below	Merchandise Display Case–Glass Front with Lighting
See 6 below	Slat wall fixtures to hang retail merchandise
See 7 below	Other

EXHIBIT I – CONCESSIONAIRE FURNISHED EQUIPMENT

Heidelberg: (TBD)

<u>Quantity</u>	<u>Description</u>
See 2 below	Electronic Cash Register or Point of Sale System (POS)
See 4 below	Sales Counters Length 72", depth 28", Height 43"
See 5 below	2 glass Merchandise Display Case—Glass Front with Lighting (1 – 5 door cabinet)
See 6 below	Slat wall fixtures to hang retail merchandise
See 7 below	Customer number waiting system
See 7 below	Other

Mannheim: (TBD)

<u>Quantity</u>	<u>Description</u>
See 2 below	Electronic Cash Register or Point of Sale System (POS)
See 4 below	Sales Counters
See 5 below	2 glass Merchandise Display Case—Glass Front with Lighting (1 – 5 door cabinet)
See 6 below	Slat wall fixtures to hang retail merchandise
See 7 below	Customer number waiting system
See 7 below	Other

Baumholder: (TBD)

<u>Quantity</u>	<u>Description</u>
See 2 below	Electronic Cash Register or Point of Sale System (POS)
See 4 below	Sales Counters
See 5 below	Merchandise Display Case—Glass Front with Lighting
See 6 below	Slat wall fixtures to hang retail merchandise
See 7 below	Customer number waiting system
See 7 below	Other

KMCC (Ramstein): (Bldg Mall Upstairs) (Bldg Kiosk Downstairs)

<u>Quantity</u>	<u>Description</u>
See 2 below	Electronic Cash Register or Point of Sale System (POS)
See 4 below	Sales Counters
See 5 below	Merchandise Display Case—Glass Front with Lighting

EXHIBIT I – CONCESSIONAIRE FURNISHED EQUIPMENT

See 6 below	Slat wall fixtures to hang retail merchandise
See 7 below	Customer number waiting system
See 7 below	Other

Sembach: (TBD)

<u>Quantity</u>	<u>Description</u>
See 2 below	Electronic Cash Register or Point of Sale System (POS)
See 4 below	Sales Counters
See 5 below	Merchandise Display Case–Glass Front with Lighting
See 6 below	Slat wall fixtures to hang retail merchandise
See 7 below	Customer number waiting system
See 7 below	Other

Spangdahlem: (TBD)

<u>Quantity</u>	<u>Description</u>
See 2 below	Electronic Cash Register or Point of Sale System (POS)
See 4 below	Sales Counters
See 5 below	Merchandise Display Case–Glass Front with Lighting
See 6 below	Slat wall fixtures to hang retail merchandise
See 7 below	Customer number waiting system
See 7 below	Other

Landstuhl: (TBD)

<u>Quantity</u>	<u>Description</u>
See 2 below	Electronic Cash Register or Point of Sale System (POS)
See 4 below	Sales Counters
See 5 below	Merchandise Display Case–Glass Front with Lighting
See 6 below	Slat wall fixtures to hang retail merchandise
See 7 below	Customer number waiting system
See 7 below	Other

EXHIBIT I – CONCESSIONAIRE FURNISHED EQUIPMENT

Stuttgart (Panzer): (TBD)

<u>Quantity</u>	<u>Description</u>
See 2 below	Electronic Cash Register or Point of Sale System (POS)
See 4 below	Sales Counters
See 5 below	Merchandise Display Case–Glass Front with Lighting
See 6 below	Slat wall fixtures to hang retail merchandise
See 7 below	Other

Bamberg: (TBD)

<u>Quantity</u>	<u>Description</u>
See 2 below	Electronic Cash Register or Point of Sale System (POS)
See 4 below	Sales Counters
See 5 below	Merchandise Display Case–Glass Front with Lighting
See 6 below	Slat wall fixtures to hang retail merchandise
See 7 below	Other

Schweinfurt: (TBD)

<u>Quantity</u>	<u>Description</u>
See 2 below	Electronic Cash Register or Point of Sale System (POS)
See 4 below	Sales Counters
See 5 below	Merchandise Display Case–Glass Front with Lighting
See 6 below	Slat wall fixtures to hang retail merchandise
See 7 below	Other

Kaiserslautern (Vogelweh) – Vendor will be required to provide their own facility near the Volgeweh housing area. This facility shall be considered a temporary structure and removable upon expiration or termination of the contract. This will be considered Concessionaire furnished/Concessionaire owned. The Exchange shall assume no responsibility for the Concessionaire's investment. While the Exchange can assist, it is the Concessionaire's responsibility to obtain any Installation approvals regarding the temporary structure.

2. Electronic Cash Register or POS System – self-contained, heavy-duty construction, and electronically operated. Keyboard will be the basic mode to enter information. Register must have the features outlined in Exhibit C, Special Provisions, 11. Internal Controls. If POS system, Concessionaire must receive approval from the Contracting Officer before installation of system. See Exhibit C, Special Provisions, 11. c.

EXHIBIT I – CONCESSIONAIRE FURNISHED EQUIPMENT

3. Self-Contained Kiosk – A fixture used to market and display products and service consistent with industry standard in malls/stores in the local market area staffed with Concessionaire sales personnel. Kiosk must have the capability to secure the Concessionaire’s merchandise and cash register.
4. Sales Counters – Concessionaire is required to install sales counter(s), as needed, to market and display all products and services. Counters must be consistent with industry standard in malls/stores in the local market area and staffed with Concessionaire personnel. Must have the capability to secure Concessionaire’s merchandise and cash register.
5. Merchandise Display Case – Glass Front Lighted – A fixture used to market and display products consistent with industry standard in malls/stores in the local market area. Must have the capability to secure the Concessionaire’s merchandise. Concessionaire is required to install merchandise display case(s), as needed, to market and display all products and services.
6. Slat Wall Fixture – A tongue and groove panel that allows for easy movement of merchandising fixtures such as hooks or shelves for the display of single items or multiple groupings of merchandise. Concessionaire is required to install slatted wall fixture(s), as needed, to market and display all products and services.
7. Other: Concessionaire shall be required to provide other equipment such as: chairs, paper shredders, trash cans, office equipment and supplies, file cabinets, professional sign / brochure holders, customer number waiting system, etc., that are necessary to operate the storefront and/or kiosk concession. This Concessionaire furnished equipment must be new or like new and meet the industry standard and must be acceptable to the Contracting Officer.

*****END OF EXHIBIT*****

EXHIBIT J – EXCHANGE FURNISHED EQUIPMENT

1. Exchange shall furnish the following equipment. Reference Exhibit C, Special Provisions.

LOCATION(S): Grafenwoehr, Hohenfels, Illesheim, Katterbach, Vilseck, Mainz-Kastel, Wiesbaden , Heidelberg, Mannheim, Baumholder, KMCC (Ramstein), Sembach, Spangdahlem, Landstuhl, Stuttgart (Panzer), Bamberg, and Schweinfurt

QTY: 1 (one) each
DESCRIPTION: Verifone machine
ACQUISITION COST:

Note: Verifone will not be provided at Kaiserslautern (Vogelweh)

2. Concessionaire agrees to pay monthly rental charge(s) for use of Exchange furnished equipment listed in this exhibit. The monthly rental charge(s) for equipment identified herein is \$0.00. The amount shall be paid at the Exchange level and in the name of the Concessionaire's account.

*****END OF EXHIBIT*****

SECTION I

Instructions to Offerors -- Amendment of Solicitation. The following instructions apply unless specified otherwise in an AAFES letter accompanying this amendment.

a. Offerors must acknowledge receipt of this amendment prior to the hour and date specified for receipt of proposals in the original solicitation, or the hour and date specified in this amendment if such has been amended. Offeror must acknowledge by one of the following means:

- (1) By signing and returning all except one copy of this amendment.
- (2) By acknowledging receipt of this amendment on each copy of the proposal submitted;
- (3) By separate letter or telegram which includes a reference to the solicitation and amendment number.

b. Proposals must be based upon and refer to the solicitation as amended. Unless an acknowledgment of this amendment is received by the contracting officer before the hour and date specified for receipt of proposals, offeror's proposal may be considered nonresponsive.

c. If you desire to revise a proposal previously submitted, such revision must be received prior to the hour and date specified for receipt of proposals enclosed in a sealed envelope addressed to the issuing office, with the name and address of the offeror and the solicitation number on the face of the envelope. Telegraphic proposals will not be considered unless authorized by the solicitation; however, proposals may be modified by telegraphic notice provided such notice is received prior to the time set for receipt of proposals. Telegraphic modifications should not reveal the amount of the original or of the revised proposal.

SECTION II

Instructions to Contractor -- Amendment of Contract.

Unless otherwise instructed, all except one copy of this amendment are to be executed by the person authorized to bind the firm contractually and returned to the contracting officer. The effective date will be the date the amendment is signed in block 6 by the contracting officer or the date(s) indicated in block 4, whichever is later.

ARMY AND AIR FORCE
EXCHANGE SERVICE

AMENDMENT OF
SOLICITATION/CONTRACT (AGREEMENT)

1. AMENDMENT OF: SOLICITATION CONTRACT (AGREEMENT)

SOLICITATION/CONTRACT NUMBER ATI 11-001	AMENDMENT NUMBER Two (2)	CONTRACT CONTROL NO. (If Applicable)
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2. IF A SOLICITATION AMENDMENT

Refer to Section I "Instructions to Offerors" on reverse of this form and the following as indicated:

a. The time and date specified for receipt of proposals is:

Not extended

Extended until (local time at place of receipt of proposals)

Hour _____ Date _____

_____ M, _____

b. The above solicitation is modified as set forth in Block 4 below.

3. IF A CONTRACT AMENDMENT

Refer to Section II "Instructions to Contractors" on reverse of this form and the following as indicated:

a. The expiration date of the above CONTRACT is changed:

FROM _____ TO _____

b. The above CONTRACT is:

Not further modified.

Modified as set forth in Block 4 below.

4. DESCRIPTION OF AMENDMENT.

a. Schedule, Section 2, is revised to establish service Commencement Date of 8 June 2012. The following service deployment schedule is provided. Base access is required at least 2 weeks in advance of Open Date for each location. Exceptions are granted for Open Dates beyond 1 September 2012 as indicated below:

Open Date	Installation	Open Date	Installation
6/8/2012	Wiesbaden	8/10/2012	Bamberg
6/15/2012	Ramstein	8/17/2012	Vilseck
6/22/2012	Baumholder	8/24/2012	Illesheim
6/29/2012	Grafenwoehr	8/31/2012	Landstuhl
7/6/2012	Schweinfurt	9/28/2012	Kaiserslautern (Vogelweh)
7/13/2012	Mainz	10/12/2012	Garmisch
7/20/2012	Heidelberg	10/26/2012	Ansbach
7/27/2012	Boblingen (Stuttgart)	11/30/2012	Spangdahlem
8/3/2012	Hohenfels		

////////////////////////////////////Last Item////////////////////////////////////

IN ALL OTHER RESPECTS, THE TERMS AND CONDITIONS OF THE SOLICITATION/CONTRACT, AS AMENDED, REMAIN IN FULL FORCE AND EFFECT.

SIGNATURES

5. NAME AND ADDRESS OF OFFEROR/CONTRACTOR
(Street, City, County, State, and Zip Code)

SIGA Telecom GmbH
Frankenbacher Str. 13
74078 Heilbron, Germany

6. ISSUED BY

The Exchange
3911 S. Walton Walker Boulevard
Dallas, TX 75236-1598

SIGNATURE OF PERSON AUTHORIZED TO SIGN
A. Senturk

DATE
MAY 17 2012

TYPED OR PRINTED NAME AND TITLE
AYHAN SENTURK

SIGNATURE OF CONTRACTING OFFICER
James S. Gordon

DATE
17 May 2012

TYPED OR PRINTED NAME OF CONTRACTING OFFICER
James S. Gordon

SECTION I

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