

ATTACHMENT VII

COLLECTIVE BARGAINING AGREEMENTS

The table below reflects the Attachment Number of each Collective Bargaining Agreement (CBA) used in establishing minimum wage rates for this contract along with the Wage Determination number and the location to which it applies.

ATTACHMENT (AT) NO.	COLLECTIVE BARGAINING AGREEMENT	WAGE DETERMINATION NUMBER	LOCATIONS
VII-1	CBA BETWEEN BLACKSTONE CONSULTING, INC. AND INDUSTRIAL, TECHNICAL AND PROFESSIONAL EMPLOYEES UNION (ITPEU), NATIONAL MARITIME UNION (NMU) MEBA AFL-CIO. CBA ADDENDUM EFFECTIVE MARCH 1, 2001.	TBD	MC AIR STATION, MIRAMAR, CA
VII-2	CBA BETWEEN MCS MANAGEMENT, INC. AND INDUSTRIAL, TECHNICAL AND PROFESSIONAL EMPLOYEES UNION (ITPEU), NATIONAL MARITIME UNION (NMU) MEBA AFL-CIO. CBA ADDENDUM EFFECTIVE OCTOBER 1, 2001.	TBD	MC BASE (MCB) CAMP PENDLETON, CA-ALL BUILDINGS EXCEPT 520430
VII-3	CBA BETWEEN MCS MANAGEMENT, INC. AND UNITED INDUSTRIAL, SERVICE, TRANSPORTATION, PROFESSIONAL AND GOVERNMENT WORKERS OF NORTH AMERICA OF THE SEAFARERS INTERNATIONAL UNION OF NORTH AMERICA, ATLANTIC, GULF, LAKES AND INLAND WATERS DISTRICT, AFL-CIO. CBA ADDENDUM EFFECTIVE OCTOBER 1, 2001.	TBD	MC BASE (MCB) CAMP PENDLETON, CA- SCHOOL OF INFANTRY MESSHALL NUMBER 520430 ONLY
VII-4	CBA BETWEEN D.E.W. MANAGEMENT SERVICES, INC. AND INDUSTRIAL, TECHNICAL AND PROFESSIONAL EMPLOYEES UNION (ITPEU), NATIONAL MARITIME UNION (NMU) MEBA AFL-CIO. CBA ADDENDUM EFFECTIVE OCTOBER 1, 2001.	2000-0099, REV 03, DATED 10/02/2001	MC AIR GROUND COMBAT CENTER (MCAGCC), TWENTY- NINE PALMS, CA

VII-5	CBA BETWEEN BLACKSTONE CONSULTING, INC. AND INDUSTRIAL, TECHNICAL AND PROFESSIONAL EMPLOYEES UNION (ITPEU), NATIONAL MARITIME UNION (NMU) MEBA AFL-CIO. CBA ADDENDUM EFFECTIVE OCTOBER 1, 2001.	TBD	MC AIR STATION (MCAS) YUMA, AZ
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In order to view the above documents in electronic format follow the instructions below to access the documents on the Headquarters, Marine Corps website. You will also need to have Acrobat Reader software on your machine in order to open the files on the website.

Click on the site below. When you reach the screen that says "Welcome to Management and Oversight Branch" click on "Other Documents" Tab located above those words. If the Tab bar is not immediately visible on the screen place the pointer above the "Welcome" and hold down the left mouse button and drag it downward. This should bring up the tab bar. Once you see the tab bar double click the "Other Documents" tab. This should bring up the list of hyperlinked documents. Select "Attachment VII-CBA-WC-Links". This will bring up the icons for each CBA.

<http://www.hqmc.usmc.mil/LBWeb.nsf/MainB?OpenFrameset>

ATTACHMENT VII-1

COLLECTIVE BARGAINING AGREEMENT

BETWEEN

BLACKSTONE CONSULTING, INC.

AND

**INDUSTRIAL, TECHNICAL AND PROFESSIONAL EMPLOYEES
UNION (ITPEU)**

AT

MCAS, MIRAMAR, CA

Memorandum Of Agreement

Between

**Industrial Technical And Professional Employees
Union, (AFL-CIO)**

And

Blackstone Consulting, Inc.

Covering Food Service Employees

At

**MCAS Miramar
San Diego, California**

Addendum

Whereas, Blackstone Consulting, Inc., (hereinafter, the "Company") and Industrial Technical and Professional Employees Union, AFL-CIO, (hereinafter, the "Union") have entered into an Agreement effective October 1, 2000 and

Whereas, the Union has been duly designated by the Company's non-supervisory employees at MCAS Miramar, San Diego, California, as their collective bargaining representative, and

Whereas, the aforementioned agreement provides for the Company and the Union to negotiate each year for changes in the Wages and Fringe Benefits for the above-named facility, and to enter into an Agreement setting forth those economic terms.

NOW THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

WAGES

Current:

Food Sanitation Specialist I	\$9.20
Food Sanitation Specialist II	\$9.69
Lead Worker	\$10.34
Salad Maker	\$9.86
Cashier	\$9.79
Pot & Pan Washer	\$9.79
Storeroom Clerk	\$11.43
Cook I	\$11.43
Cook II/Baker	\$12.41

Company shall have the right to hire not more than ten (10%) percent of its total "new hire" Food Sanitation Specialist I work force for a training program. A "new hire" employee shall be placed in the classification of Food Sanitation Specialist I for a period not to exceed thirty days. Upon completion of this training period, the employee shall be advanced to the classification of Food Sanitation Specialist II. A "new hire" is an employee who has not worked at this federal facility, with any predecessor or current contractors.

Effective March 1, 2002:

Food Sanitation Specialist I	\$9.50
Food Sanitation Specialist II	\$9.99
Lead Worker	\$10.64
Salad Maker	\$10.16
Cashier	\$10.09
Pot & Pan Washer	\$10.09
Storeroom Clerk	\$11.73
Cook I	\$11.73
Cook II/Baker	\$12.71

Company shall have the right to hire not more than ten (10%) percent of its total "new hire" Food Sanitation Specialist I work force for a training program. A "new hire" employee shall be placed in the classification of Food Sanitation Specialist I for a period not to exceed thirty days. Upon completion of this training period, the employee shall be advanced to the classification of Food Sanitation Specialist II. A "new hire" is an employee who has not worked at this federal facility, with any predecessor or current contractors.

HEALTH AND WELFARE

Current and Effective March 1, 2002:

The Company shall contribute to the ITPE Health and Welfare Plan the sum one dollar and ninety cents (\$1.90) per hour for all straight time hours worked plus all hours of paid vacation, holidays, and sick leave, for each and every employee covered by this Agreement.

In executing this agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE Health and Welfare Plan and any amendments duly adopted thereto. The Company further agrees to be bound by all resolutions and other actions taken by the Board of Trustees of such plan.

Contributions For Family or Medical Leave. The Company shall contribute one dollar and ninety cents (1.90) per hour to the ITPE Health and Welfare Plan on behalf of any employee who is on a family or medical leave of absence under the federal Family and Medical Leave Act. In order to be eligible for such contributions, an employee must have worked for the Company or its Predecessor at the Base for a total of at least twelve (12) months and for at least 1,250 hours in the twelve (12) month period preceding the period of family or medical leave.

In no event shall contributions for family or medical leave exceed a period of twelve (12) weeks per employee in any calendar year. the hours of contributions for each week of family or medical leave shall be calculated by determining the average weekly hours worked by the employee during the twelve (12) week period preceding family or medical leave, including all hours during said period of paid vacation, holiday and or sick leave.

PENSION

Current:

The Company shall contribute to the ITPE Pension Plan the sum of Fifty (\$0.50) cents per hour for all straight time hours worked plus all hours of paid vacation, holidays, and sick leave, for each and every employee covered by this Agreement.

In executing this agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE Pension Plan and any amendments duly adopted thereto.

The Company further agrees to be bound by all resolutions and other actions taken by the Board of Trustees of such plan.

Effective March 1, 2002:

The Company shall contribute to the ITPE Pension Plan the sum of Fifty-five (\$0.55) cents per hour for all straight time hours worked plus all hours of paid vacation, holidays, and sick leave, for each and every employee covered by this Agreement.

In executing this agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE Pension Plan and any amendments duly adopted thereto.

The Company further agrees to be bound by all resolutions and other actions taken by the Board of Trustees of such plan.

VACATIONS

Employees will accrue vacation credit in accordance with the following schedule:

Current and Effective March 1, 2002:

After one (1) year of service, two (2) weeks of vacation credit.

After five (5) years of service, three (3) weeks of vacation credit.

After ten (10) years of service, four (4) weeks of vacation credit.

The term "hours previously worked" shall include hours of vacation and holidays. Length of service includes the whole span of continuous service with the present (successor) contractor, wherever employed, and with the predecessor contractors in the performance of similar work at the same federal Facility.

Vacations will not be accumulated from year to year, nor taken back to back. If the company consents, the employee may elect not to take his vacation, in which case he will receive pay in lieu thereof on the anniversary dated of his employment. the employee may take his vacation in more than one segment with the consent of the Company. the employee will be paid at the rate current when the vacation was due.

Pro rata vacation pay shall be given to all employees who leave the Company's employment prior to their anniversary dates.

An employee will receive an extra day's vacation or be paid an extra day's pay for a paid holiday which falls within his vacation period, in accordance with the provisions of Article XXI, Holidays. Vacation will be granted at times most desired by the employees in order of their seniority within their work schedule, but the final right as to allotment and scheduling of vacation periods is reserved to the Company in order to assure the orderly operation of its business. Except in case of emergency, a vacation period once assigned will not be canceled by the Company except with agreement of the employee.

Temporary layoffs or leaves of absence during the year will not interrupt the continuity of service for the purpose of eligibility for vacation, and shall be counted toward the required year for each vacation period.

HOLIDAYS

Current and Effective March 1, 2002:

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|--|----------------------|
| 01. New Years Day | 07. Labor Day |
| 02. Martin Luther King, Jr.'s Birthday | 08. Columbus' Day |
| 03. President's Day | 09. Veterans' Day |
| 04. Memorial Day | 10. Thanksgiving Day |
| 05. Independence Day | 11. Christmas Day |
| 06. Employee's Birthday | |

Every employee will be compensated for the above holidays. In computing the number of hours for which an employee is entitled to compensation at the hourly base rate of pay, the proportion which the average number of hours worked by an employee during the preceding normal work week bears to forty (40) hours shall be applied to eight (8) hours to determine the number of paid hours said employee is entitled to receive. For example: work week preceding the holiday week, his holiday pay would be computed by taking $\frac{3}{4}$ (30/40) of eight (8) hours and multiplying the resulting six (6) hours by his hourly base rate of pay. Any work performed on a holiday will be paid at the employee's regular rate of pay in addition to the holiday pay. If any of the named holidays fall on a non-working day, the employee either observe the holiday on the following working day or shall receive pay for their average number of hours normally worked in lieu of the observance above their normal compensation for work performed.

In the event that one of the holidays shall occur during the employee's vacation, the employee will receive an additional day of paid vacation, unless the employee and the Company agree that he may receive pay in lieu thereof.

When the Company requires work on any shift on a holiday, it shall post a notice of such requirements at least seven (7) days prior to that holiday. Said notice shall provide space for the signatures of volunteers for such work. If not enough qualified volunteers sign said notice within three (3) days after posting, the Company shall select qualified employees in reverse seniority to protect the work to be performed. However, if too many employees volunteer, the Company shall select qualified employees in order of seniority to perform the work.

In order for employee to qualify for a paid holiday, he must have worked his regularly scheduled work day immediately preceding the holiday and his regularly scheduled work day immediately following the holiday, unless excused by reason of illness, bereavement leave, or other good cause.

SICK LEAVE

Current and Effective March 1, 2002:

All employees shall be entitled to paid Sick Leave accumable on the basis of one (1) day of sick leave for every two (2) months worked, not to exceed six (6) days per year. It shall be required of all employees to submit to the employer a certificate of notification from a doctor as proof of illness before receiving sick pay. All unused accumulated sick leave shall be paid to the employees at the end of the Government contract year or contract period if less than one year, or the employee's termination for any reason.

Collective Bargaining Agreement

Between

**Industrial Technical And Professional Employees
Union, (AFL-CIO)**

And

Blackstone Consulting, Inc.

Covering Food Service Employees

At

**MCAS Miramar
San Diego, California**

PREAMBLE

THIS AGREEMENT is entered into by and between: Blackstone Consulting, Inc. (hereinafter referred to as the Company) and Industrial Technical And Professional Employees Union, AFL-CIO (hereinafter referred to as the Union) as representatives of all its non-supervisory employees, in the mutual interests of the employees and the Company to promote and further the efficiency and economy of operations, to provide orderly collective bargaining relations, a method for the prompt and equitable disposition of grievances, and a method for the establishment of fair wages, hours, and working conditions for the employees covered hereunder. In making this Agreement, it is recognized to be the duty of the Parties to cooperate fully with each other, both individually and collectively, for the advancement of the purposes of this Agreement.

This Agreement supersedes any and all prior Agreements between the Company and the Union.

Article I - Union Recognition

Section A:

The Company hereby recognizes the Union as the sole bargaining agent for all of its non-supervisory employees, excluding all managerial employees and supervisors, as defined in Section 2 of the National Labor Relations Act, as amended.

Section B:

Whenever the words "employee" or "employees" are used in this Agreement, they designate only such employees as are covered by this Agreement. Whenever in this Agreement employees or jobs are referred to in the male gender, it will be recognized as referring to both male and female employees.

Section C:

It is understood by this Section that the parties hereto shall not use any leasing or subcontracting device to evade the terms and conditions of this Agreement. The Company shall give a copy of this Agreement to the Contracting Officer at every base where this Agreement is applicable.

Article II - Union Security and Membership

Section A:

It shall be a condition of employment that all employees of the Company covered by this Agreement who are members of the Union in good standing on the effective date of this Agreement, shall on or after the thirtieth (30th) day following the effective date of this Agreement or the execution date, whichever comes later, become and remain members in good standing of the Union. It shall be a condition of employment that all employees of the Company covered by this and hired on or after the thirtieth (30th) day following the beginning of such employment become and remain members in good standing of the Union.

Section B:

Union Shop Provision to Take Effect if Prohibition Law Invalidated. The provisions of Article II, Section A: shall be deemed to be of no force and effect in any state whose law governs this contract to the extent to which the making or enforcement of such provisions is contrary to statutes, constitutional amendment or the law of such state; provided however, that whenever any such court of last resort having jurisdiction of such questions finds the state laws to be invalid or inapplicable, the provisions of Section A above shall immediately thereupon be deemed to cover this bargaining unit or employees directly affected by such declaration of invalidity.

Section C:

If the provisions of Article II, Section A shall be deemed to be of no force and effect, the following shall govern: employees who are members of the Union on the date of execution hereof, shall maintain their membership in the Union as a condition of employment during the term thereof.

Section D:

The Company will deduct from the wages of any employee covered by this agreement said employee's dues as a member of the Union upon receiving a photocopy of the employee's voluntary and individual written authorization for the Company to make such deductions, signed by the employee. Such authorization form shall be provided by the Union. The Company will pay

over to the proper officer of the Union the wages withheld for such initiation fees and dues. The remittance shall be accompanied by a list showing individual names, social security numbers, dates hired, and amounts deducted. The total remittances are to be made not later than fifteen (15) days after the last day of the month for which deductions were made. The Union shall advise the Company of the amount of initiation fees and dues and the manner in which same shall be deducted. The amount so withheld, less any amounts due to any improper withholding, shall be reported and paid to the Union monthly.

Section E:

Payment for membership dues shall not be required as a condition of employment during leaves of absences without pay in excess of thirty (30) days or during periods of permanent transfer to a classification not covered by this Agreement.

Section F:

In the event of termination of employment, there shall be no obligation upon the Company to collect dues until all other deductions have been made.

Section G:

The Company will make available to the Union a list of newly hired and terminated employees covered by this Agreement. Such list will be prepared monthly and will show the name, social security number, and address, job classification and hire or termination date of such employees who were hired or terminated during the month for which the list is prepared.

Section H:

The Company shall notify the Union of all job openings within each facility covered by this Agreement. The Union may refer applicants for such openings. In interviewing and hiring for such job openings, the Company will not discriminate against any applicant referred by the Union. Nothing in this contract, however, shall be construed to create an exclusive hiring hall arrangement, and the Company shall at all times be free to advertise and list said job opening from any sources available to the Company.

Section I:

The Company shall be the judge of the qualifications of its employees, but shall give full consideration, without prejudice, to the members of the Union, provided that they have the necessary qualifications.

Section J:

The Union agrees to indemnify and save the Company harmless against any claim, suit, judgments or liabilities of any sort whatsoever arising out of the Company's compliance with the provision of this Union Security and Membership Article.

Article III - Equal Opportunity

Section A:

In accordance with the established policy of the Company and the Union, the provisions of the Agreement will apply equally to all employees hereunder regardless of sex, color age, race, creed or national origin. The Company and the Union also recognize the desirability of implementing the

national policy of providing equal opportunity to all persons and agree to work actively toward the implementation of that policy.

Section B:

There will be no discrimination against any employee on account of membership in, or activity in behalf of the Union.

Article IV - Access To Facility

Duly authorized representatives of the Union shall be permitted to investigate the standing of all employees and investigate conditions at any facility covered by this Agreement to see that the Agreement is being enforced, provided that no interview shall be held during the rush hours, or unreasonably interrupt the duties of any employee. The Company shall be notified by the Union representative before he shall take action with the person involved. The representative of the Union shall contact the highest ranking Company representative then present at the facility and inform him of the circumstances. The employer and the Union representative shall conduct themselves in such a manner as to carry out the intent and spirit of this section.

Article V - Probationary Period

Section A:

Every new or rehired employee shall be on probation for the first thirty (30) days of employment. Employment time will include the whole span of continuous service with the present (successor) contractor, wherever employed, and with the predecessor contractors in the performance of similar work at the same Federal Facility.

Section B:

At any time during such initial probationary period, an employee may be discharged for any reason, and any such employee so discharged shall not have the right to file a grievance or have other recourse to the grievance procedure.

Section C:

Any employee promoted to a job classification covered by this Agreement from a lower-paid classification shall be on probation for the first ninety (90) days of employment in the new classification. At any time during such a probationary period, the Company may, for any reason, return the employee to that employee's former position without any loss of seniority, and any such employee shall not have the right to file a grievance or have other recourse to the grievance procedure with regard to any such return to former classification. A promoted employee shall, during the ninetieth (90th) day of the period and thereafter, have the right to file a grievance and resort to the grievance procedure with regard to all other matters covered by this Agreement.

Article VI - Seniority

Section A:

It is agreed that the Company and the Union will meet for the purpose of establishing a seniority list for all employees employed in the unit at the time of the signing of the Agreement. Said

seniority list will be based upon official records of the Union, of the Company, its predecessors, and state and federal agencies. Not later than fifteen (15) days prior to the expiration of the Company's contract covering any facility, the Company shall furnish the Union and the successor contractor a list of all its current employees together with their dates of hire and the dates their last vacation pay was paid by the Company. The following Sections in this Article shall become applicable and shall be in force and effect upon the establishment of the seniority list. Seniority shall, for all purposes of this Article, be on the basis of job classification.

Section B:

In the event that the Company finds it necessary to lay off employees for any reason, other than disciplinary, such layoffs shall be on the basis of seniority. i.e., the employee on duty in the facility where the layoff occurs having the shorter period of continuous service shall be laid off first. The Company shall recall such laid off employees in the reverse order. Senior employees shall have preference of full-time employment at all times if equal distribution of work is impossible. Senior employees may, however, exercise their seniority rights by taking a job in a lower classification.

Section C:

Employees shall have the right to select available work schedules by seniority in job assignments for which they are qualified. Each employee shall be given his work schedule. This requirement may be satisfied by a posting of the work schedule. The work schedule for each week shall be posted at least four (4) days prior to the beginning of the work week. Work schedules shall include starting time, quitting time and meal break time. If the work schedule is not posted in the allotted amount of time specified above, the Company will not discipline any employee that is unable to work such schedule changes. When any of the work schedules in a specific job classification is changed, all schedules in that job classification will be considered to be an "available work schedule".

Section D:

In the event that a job opening or position, that is covered by this agreement, becomes available such position shall be posted for qualified employees to bid on. Such posted notices, shall be posted for not less than four working days and will include the title of the position available, the days the work will be required, the starting time, quitting time, and the meal break time. The final selection of the employee to fill the open position will be based on seniority and experience in the job classification.

Section E:

Except as otherwise provided herein, seniority shall be measured from the date of the employee's initial hire date at any facility with the Company or a predecessor employer engaged in providing similar services at that facility, provided that there has been no break in seniority under Section F of this Article. Employees transferred by the Company to any facility covered by this Agreement shall have their seniority measured from the date of the initial hire by the Company or its franchise as the case may be, regardless of where such services was performed.

Section F:

An employee shall lose his seniority upon his retirement, resignation or discharge for just cause. An employee will be considered to have resigned if he:

(1) Fails to report to work on the day following expiration if an authorized leave of absence, unless failure to report is due to conditions recognized by the Company to be beyond the control of the employee and he reported such conditions as soon as possible;

(2) Is on lay-off for a period exceeding one (1) year;

(3) Is absent from work for two (2) consecutive work days without properly notifying the Company of the reason for absence even though the reason for such absence is beyond the control of the employee, or in any event, fails to report for work as scheduled without such reason;

(4) Fails, while on lay-off, upon notice from the Company that work is available, to report to the Company for work as soon as practicable, but not later than seven (7) work days and provided that the employee notifies the Company within three (3) days of such notice that he will return to work within the seven day period.

The Company fulfills its obligations under this Section by sending notice by telegram or by certified letter to the last known address of the employee. It is the obligation of the employee to keep the Company informed of his current address and telephone number.

Section G:

An employee who has occupied a position with the Company covered by this Agreement and who accepts a position with the Company in a classification not covered by this Agreement will continue to accrue seniority for nine (9) months, after which period he shall retain his accumulated seniority, provided that he remains in the employ of the employer.

Article VII - Discipline

Section A:

No employee shall be reprimanded or discharged without just cause. All reprimands and discharges will be subject to the grievance and arbitration clause. All reprimands and discharge notices shall be in writing and shall be signed by the Project Manager. Copies of the reprimand or discharge notice shall be given to the employee reprimanded and to the Shop Steward. Each reprimand shall be canceled after six (6) months. Two (2) reprimands within a six month period may result in no more than a ten (10) day suspension. Three (3) reprimands within a six (6) month period may result in immediate discharge. A copy of all discharge notices will be sent to the local Union office.

Section B:

Acts allowing for immediate discharge, immediate suspension, or just cause for reprimands:

1. Theft of company or government property.
2. Unlawful possession of alcohol, illegal drugs or substances on the job site.
3. Unauthorized possession of weapons on the job site.
4. Physical violence to or serious threat of physical violence to any person on the job site.

5. Intoxication on the job or utilization or under the influence of illegal drugs or substances.
6. Refusal to perform a regular work assignment, in their job classification, for other than safety or legal reasons.
7. Willful damage of Company property.
8. Falsification of employment application or work records.
9. Sexual, racial, ethnic, or physical disability harassment to any person
10. Disrespect to military management personnel.

Section C:**Just causes for reprimands:**

1. Violation of reasonable company rules, provided that such rules are in writing, have been given to the employee, and have been agreed to by the Union.
2. Failure to give the company at least four hours advance notice that the employee is unable to report to work, unless the employee can establish extenuating circumstances justifying the failure to give such notice. Proof of extenuating circumstances is the responsibility of the employee and must be submitted, to the Company in writing, within three (3) working days.
3. Tardiness, unless the employee can establish extenuating circumstances that can be confirmed by the company. For an employee to be considered tardy, he must be more than five (5) minutes late past his scheduled time for work.
4. Excessive unauthorized absences. An unauthorized absence is consider to be time take off work without the prior approval of management; excluding verifiable sickness or illness. Excessive is consider to be two (2) or more unauthorized absences in a one (1) month period.
5. Leaving the assigned work site during a shift, without the permission of the immediate supervisor or manager, except for unpaid meal periods or unpaid break periods.
6. Eating in other than an authorized area designated by the company or the government.
7. Noncompliance with the company or government no smoking policies or smoking in other than an authorized area designated by the company or the government.
8. Disrespect to management personnel.
9. Insubordination.
10. Name-calling or abusive language regarding sex, color, age, race, creed, disability, or national origin.

Section D:

For a reprimand or discharge notice to be valid it must conform to all of the requirements of Section A, Section B, and Section C of this Article. Additionally, a valid reprimand or discharge notice must meet the following requirements:

1. All reprimands and discharge notices must be dated and issued within three days, or on the same day as the employee returns to work if more than three days.
2. Reprimands and discharge notices shall state the time, date, and policy that has been violated (i.e., company rules, Collective Bargaining Agreement, etc.).

Article VIII - Grievance Procedure

Section A:

A grievance is defined as a claim or dispute by the employer or employee or the Union concerning the interpretation of the application of this Agreement or of any local Addendum hereto.

Section B:

All grievances must be presented in writing and filed in accordance with the following exclusive procedure:

Step 1: The employee who has a grievance shall discuss it with the Project Manager either himself or with the Shop Steward. If the grievance is not settled at the Step 1 meeting, it may be appealed by the Union Representative to the Project Manager to Step 2 within ten (10) days of the Step 1 meeting. Company grievances shall be processed beginning with Step 2.

Step 2: The Union Representative and the Project Manager will discuss the grievance. If the grievance is not disposed of to the satisfaction of the party filing the grievance at Step 2, the grievance may be appealed to Step 3 by the party or the representatives of the party filing the grievance by filing a written appeal to the opposing party within ten (10) days after Step 2.

Step 3: Within ten (10) days after the appeal of the opposing party, the parties (the Company represented by the Company President and the Union represented by the Union Representative) will attempt to settle the grievance. The party being complained against shall render the party's decision - in writing - within ten (10) days of such meeting. If the grievance is not disposed of to the satisfaction of the complaining party the grievance may be appealed to arbitration by the Company or the Union lodging a written appeal with the other party within ten (10) days of receipt of such written decision.

Section C:

A grievance involving discharge of an employee shall be brought directly to Step 2 and must be filed within five (5) days of discharge. A copy of the grievance must be given (filed) to the Project Manager and to the Union.

Section D:

A grievance not involving discharge shall be without effect unless filed in writing within seven (7) days from the date the complaining party discovered the facts or should have discovered the facts giving rise to the grievance.

Section E:

Shop Stewards shall be afforded time off without loss of pay to investigate, discuss, and present grievances. Such time shall be kept to a minimum.

Section F:

At any step of the grievance procedure, the Company or the Union may designate a substitute for the official designated herein, other than persons who have previously participated in such grievance. The officially designated representative of either party may be accompanied by two (2) other persons at any step of the grievance procedure except Step 1. The parties may mutually agree that further representatives may be present.

Section G:

The time limits set forth in this Article may be extended mutually in writing. Time limits are exclusive of Saturday, Sunday, and recognized holidays.

Article IX - Arbitration**Section A:**

Within ten (10) days after the filing of the notice of the intent to submit the unsettled grievance to arbitration, the parties shall attempt to mutually select an impartial arbitrator. If the parties are unable to agree within five (5) days of that meeting upon the choice of an arbitrator, they shall request the Federal Mediation and Conciliation Service to submit a list of five (5) persons qualified to act as the impartial arbitrator. A representative of the Company and a representative of the Union shall meet within five (5) days of the receipt of the list and shall alternately strike two (2) names from the list, the party to strike first to be selected by lot. The fifth remaining person shall thereupon be selected as the impartial arbitrator.

Section B:

During the hearing, each party shall have full opportunity to present evidence and argument, both oral and documentary. The impartial arbitrator will render his finding and award in writing within thirty (30) calendar days after the conclusion of the hearing. The decision of the impartial arbitrator shall be final and binding. The impartial arbitrator shall have no authority to modify, amend, revise, add to or subtract from any terms or conditions of this Agreement.

Section C:

The fees of the arbitrator and necessary expenses, including transcript, if desirable, of any arbitration proceeding shall be borne equally by the Company and the Union except that each party shall pay the fees of its own counsel or representative. If an employee witness is called by the Company, the Company will reimburse him for time lost at his regular straight time base rate. If an employee witness is called by the Union or if an employee/grievant is present at the hearing, the Union will reimburse such personnel for time lost.

Article X - Military Leave**Section A:**

Employees entering the military or naval service, Red Cross or other combat relief service or conscripted civil service of the United States during the life of this Agreement will be placed on

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military leave of absence in accordance with the provisions of the Universal Military Training and Service Act, and will retain their seniority while in such service and be returned to their former positions upon honorable discharge from the service, provided they are physically and mentally capable of working.

Section B:

An employee who is a member of a Military Reserve Unit and who is required to participate in active training will be granted a leave of absence without pay for the period of such training duty, not to exceed thirty (30) days in any year.

Section C:

An employee applying for a leave under this Article will give the Company at least five (5) working days notice prior to reporting date, if possible.

Article XI - Leave Of Absence

Section A:

Employees are entitled to leaves of absence not exceeding one (1) year for good cause. Such leave of absence may be granted for restoration of health, medical, dental or treatment, maternity leave, or employment by the Union, and shall not prejudice seniority status for purposes of layoffs and recalls.

Section B:

A leave of absence under this section will not be considered employment time for seniority. For example, if an employee works continuously for nine (9) months and is granted a thirty (30) day leave of absence without pay. When the employee returns to work he has nine (9) months seniority and will be required to work three (3) more months in order to have one (1) year of seniority.

Section C:

Upon return from a leave of absence, the employee will be returned to work for which he can qualify in his job classification on the basis of seniority.

Section D:

Any employee who engages in gainful employment without the permission of the Company while on a leave of absence shall be subject to discharge.

Section E:

All leaves of absence must be applied for in writing and if granted must be granted in writing by the Company.

Section F:

All leaves of absence shall be for a specific designated period of time, and an employee may return to work earlier than the specifically designated date for this return only with the consent of the Company.

Section G:

Employees on leaves of absence due to an on the job injury will continue to accrue seniority.

JB

Article XII - Bereavement Leave

Section A:

Employees shall be entitled to paid bereavement leave as set forth in the applicable local Addendum hereto.

Section B:

In the instance of the death of a member of the immediate family of an employee, occurring after the completion of the employee's probationary period, the Company shall grant a paid leave annually to enable such employee to attend the funeral and otherwise assist in the burial of such member of the family. A day's pay shall consist of the employee's regularly scheduled hours for the days during which the Bereavement occurs, and shall be applicable only to those days within his regular work week. The term "immediate family" as used herein shall consist of the following members only: Mother, Father, Spouse, Children, Siblings, Grandparents and Grandchildren. No employee otherwise entitled to leave under this article shall receive such benefits unless he gives the Company reasonable notice before taking time off for bereavement purposes, and provides adequate documentation of his bereavement upon request of the Company.

Article XIII - Shop Stewards

Section A:

Shop Stewards shall be designated by the Union from the group they are to represent, and the Union will notify the Company of the duly designated Shop Stewards at each facility.

Section B:

The Shop Stewards shall not interfere with the management of the business or direct any work of any employee, but may advise the Company of any violations of the Agreement and also notify the employee participating therein.

Section C:

Shop Stewards will be afforded time, without loss of pay, to conduct Union business. Prior to leaving the work area, a shop steward will request permission from the supervisor. Shop Stewards will not leave the work area during rush hours.

Section D:

Shop Stewards shall be entitled to top seniority at the facility to the fullest extent allowed by law.

Section E:

A telephone will be made available to the shop stewards for the purpose of communicating with the Union. Such calls will be placed at no cost to the Company.

Article XIV - Rest Periods

Section A:

An employee who is scheduled to work for not less than three (3) continuous hours on a shift shall be entitled to one paid ten (10) minute unscheduled rest period during each three (3) hours or part

thereof. Rest periods shall not be taken at the beginning or end of a shift, nor shall they be taken together with the meal break.

Section B:

Employees shall be allowed a meal period of at least 30 minutes which commences no less than two (2) hours nor more than five hours from the beginning of each shift. If an employee is called back to work during a meal period he will receive payment for the entire meal period and receive another meal period as required by this section.

Article XV - Layoffs And Recalls

In the event of a reduction of force, the Company will give reasonable notice of layoff, under the circumstances, to the employees with the least seniority within the affected facility, and will recall employees in the reverse order, such recall to be by job classification. No new employees will be hired at any facility until all qualified laid-off employees at that facility have been recalled, and all qualified, laid-off employees at all facilities have been offered the position(s) involved. However, a laid-off employee from a facility other than the one in which the vacancy occurs may reject the offer, if it would require that employee to relocate, without loss of seniority and future right of recall.

Article XVI - Wages And Work Hours

Section A:

The schedule of the effective wage rates and job classifications for employees is set forth in the applicable local Addendum hereto.

Section B:

All employees covered by this Agreement will be paid for hours worked between the tenth of the month through the twenty-fourth of the month, on thirtieth of the same month. Hours worked between the twenty-fifth of the month through the ninth of the following month will be paid on the fifteenth of that month. When a scheduled pay day falls on a Saturday, all employees will be paid on the Friday prior. When a scheduled pay day falls on a Sunday, all employees will be paid on Monday. When a pay day falls on a holiday, all employees will be paid on the day prior to the holiday, except if such a holiday falls on a Monday, in which case all employees will be paid on the Tuesday.

Section C:

At no time will any member of the management staff be allowed to perform any work covered by this agreement.

Section D:

Each and every employee covered by this agreement will be provided with not less than two (2) hours continuous work per shift, or pay thereof.

JB

Section E:

If at the request of management, an employee agrees to work temporarily in a higher paid job classification than his own, he shall receive the higher rate of pay during such periods. Employees who temporarily work in a job classification of a lower pay rate shall not be subject to any change in pay, but will continue to receive pay at their normal rate.

Article XVII - Overtime**Section A:**

One and one-half (1½) times the hourly rate of pay will be paid for all time worked in excess of forty (40) hours per week.

Section B:

When a regular employee is called to work within two (2) hours of starting time of his next regular shift, he will receive four (4) continuous hours at the applicable rate, or pay thereof.

Section C:

A regular employee who has completed his shift, has left the Company property and is thereafter called for work at any time prior to two hours before his next scheduled shift, will be provided with four (4) continuous hours of work or pay thereof at the applicable rate.

Section D:

When an employee other than a security guard works in excess of eight hours continuously, he will be entitled to a ten (10) minute rest period at the completion of his regular shift, and another such rest period at the completion of his tenth (10th) consecutive hour if he is required to work beyond ten hours. On the same basis, similar rest periods will be provided after each additional two (2) hours worked. Such periods will be scheduled as near to the appointed time as practical, subject to the requirements of the service. In any event, all employees shall be guaranteed a minimum of eight (8) continuous hours of rest in any one twenty-four (24) hour period.

Section E:

Overtime work will be distributed among the employees qualified to perform the work as necessitating overtime within the appropriate crew or shift as equitably as practicable. Overtime lists will be made available to the Shop Stewards on request. The Company will give as much notice of overtime as practicable.

Section F:

No overtime will be worked except by prior direction of the supervisory personnel of the Company, except in case of emergency and when prior authority cannot be obtained.

Section G:

No employee will be compelled to work more than 8 hours in any one day or more than 40 hours in any one week, or more than 5 days in any one week.

Section H:

For overtime purposes, a day is the twenty-four (24) hour period beginning with the daily starting time as set forth in the Company's contract with the Government.

Section I:

If the company requires that a shift be extended past the scheduled time, the company will first request for volunteers on that shift, in order of seniority. If there are not enough volunteers to cover the required shift the company will assign the shifts to employees in order of reverse seniority.

Section J:

Nothing herein shall be construed to require or permit the pyramiding of overtime or overtime pay.

Article XVIII - Health And Welfare

The company shall contribute to the ITPE Health and Welfare Plan benefits set forth in the applicable local addendum hereto, for all straight time hours worked plus all hours of paid vacation, holidays, and sick leave, for each and every employee covered by this Agreement.

In executing this agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE Health and Welfare Plan and any amendments duly adopted thereto.

The Company further agrees to be bound by all resolutions and other actions taken by the Board of Trustees of such plan.

Article XIX - Vacation***Section A:***

Employees shall be entitled to paid vacations and paid leave as set forth in the applicable local addendum hereto.

Section B:

Vacations will not be accumulated from year to year, nor taken back to back. the employee may take his vacation in more than one segment with the consent of the Company. The employee will be paid at the rate current when vacation was due.

Section C:

An employee will receive an extra day's vacation or be paid an extra day's pay for a paid holiday which falls within his vacation period, in accordance with the provisions of Article XXI - Holidays.

Section D:

Vacations will be granted at times most desired by the employees in order of their seniority within their work shifts, but the final right as to the allotment and scheduling of vacation periods is reserved to the Company in order to assure the orderly operation of its business. Employees will apply, in writing, for vacation at least three weeks prior to the date vacation is desired. The Company will approve or disapprove all vacations within one week after such a request for vacation has been made. In the event that the Company denies an employee vacation time off the employee will have the right to receive pay in lieu thereof, on the next scheduled payroll period. A vacation period once assigned will not be canceled by the company, except with agreement of the employee.



Section E:

Temporary layoffs or leaves of absence during the year will not interrupt the continuity of service for the purpose of eligibility for vacation, and shall be counted toward the required year for each vacation period.

Section F:

Vacation payments shall be based on the hours worked during the preceding normal work year and shall include all hours paid for vacation, sick leave, bereavement leave, jury duty, and holidays.

Section G:

Vacation will be calculated on the following basis: The total hours worked (to include time paid for holidays, vacation, sick leave, bereavement leave, jury duty) during the employee's previous employment year. This amount will be divided by the total full time factor of 2080 hours. The resulting figure will be multiplied by 40 hours. This will be the hours earned for each week of vacation that the employee is entitled to. For example, if an employee worked 7 hours per day, 5 days per week for a total of 1820 hours for the employment year, he would earn 35 hours of vacation for each week of vacation he is entitled to ($1820/2080 \times 40 = 35$).

Article XX - Sick Leave**Section A:**

Sick leave will be paid as set forth in the applicable local Addendum hereto.

Section B:

All unused accumulated sick leave shall be paid to the employees at the end of the Government contract year, or contract period if less than a year, or the employee's termination for any reason. The employee will not be required to furnish a doctor's certificate in order to receive payment for sick leave.

Section C:

Employees shall only be required to provide a doctor's note after being absent from work for more than two days.

Section D:

Sick leave will be calculated on the following basis: total hours worked (to include time paid for holidays, vacation, sick leave, bereavement leave, jury duty) during each two month period. This amount will be divided by the total full time factor of 346.66 hours for the same two month period. The resulting figure will be multiplied by 8 hours. This will be the hours earned for sick leave for the same two month period. For example, if an employee worked 7 hours per day, 5 days per week for the months of March and April for a total of 315 hours, he would earn 7.27 hours of sick leave ($315/346.66 \times 8 = 7.27$).

Article XXI - Holidays

Section A:

Holidays for which every employee will be compensated at the hourly base rate of pay are set forth in the applicable local Addendum hereto.

Section B:

In computing the number of hours for which the average number of hours worked by an employee during the preceding normal work week bears to forty (40) hours shall be applied to eight (8) hours to determine the number of paid hours said employee is entitled to receive. For example, if an employee worked thirty (30) hours during the work week preceding the holiday week, his holiday pay would be computed by taking $\frac{3}{4}$ (30/40) of eight (8) hours and multiplying the resulting six (6) hours by his hourly base rate of pay.

Section C:

Any work performed on a holiday will be paid at the employee's regular rate of pay in addition to the holiday pay. If any of the named holidays fall on a non-working day, the employees shall either observe the holiday on the following working day or shall receive pay for their average number of hours normally worked in lieu of observance above their normal compensation for work performed.

Section D:

In the event that one of the holidays shall occur during the employee's vacation, the employee will receive an additional day of paid vacation, unless the employee and the Company agree that he may receive pay in lieu thereof.

Section E:

When the Company requires work of any shift on a holiday, the Company will first seek qualified volunteers for such work. If there are not enough volunteers for such work, the Company will select qualified employees to protect the work to be performed in reverse seniority; however, if too may volunteer, the Company will select qualified employees to protect the work in order of seniority.

Section F:

In order for an employee to qualify for a paid holiday, he must have worked his regularly scheduled work day immediately preceding the holiday and his regularly scheduled work day immediately following the holiday, unless excused by reason of illness, bereavement leave, or other good cause.

Article XXII - Pension

The company shall contribute to the ITPE Pension Plan benefits set forth in the applicable local addendum hereto, for all straight time hours worked plus all hours of paid vacation, holidays, and sick leave, for each and every employee covered by this Agreement.

In executing this agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE Pension Plan and any amendments duly adopted thereto.

The Company further agrees to be bound by all resolutions and other actions taken by the Board of Trustees of such plan.

Article XXIII - Uniforms And Safety Equipment

Proper uniforms and safety equipment will be furnished and laundered by the Company without cost to the employee; provided, however, that the Company may require or permit employees to launder and maintain uniforms furnished by the Company. When any employee is required or permitted to launder and maintain Company furnished uniforms, he will be compensated in accordance with the provisions of the applicable local Addendum hereto. such payments shall not be for more that forty (40) hours per week for each employee.

Article XXIV - Jury Duty

An employee summoned to serve on a jury shall receive compensation as set forth in the applicable local Addendum hereto.

Article XXV - Individual Contracts

No employee shall be compelled or allowed to enter into any individual contract or agreement with the Company concerning the conditions of employment contained herein.

Article XXVI - No Strike-No Lockout

Section A:

During the term of this Agreement, the Union shall not authorize, cause, engage in, sanction, or assist in any work stoppage, strike or slow-down of operations.

Section B:

During the term of this Agreement, the Company shall not cause, permit or engage in any lock-out of its employees.

Section C:

The Company reserves the right to discharge or otherwise discipline any employee taking part in any violation of this provision of the Agreement.

Article XXVII - Picket Lines

Refusal of an employee to cross a bonafide picket line established by a labor organization claiming to have a dispute with the Company and approved by the Union, shall not be construed to be a breach of this Agreement. This provision is not applicable to security guards.

Article XXVIII - Employee Injury

An employee injured during working hours shall receive the rest of the day off without loss of pay, provided that the injuries are such that a doctor orders the employee not to return to work.

Article XXIX - Government Requirements

Section A:

The Union agrees to cooperate with the Company in all matters required by the United States Government, and the Union recognizes that the terms and conditions of the Agreement are subject to certain sovereign priorities which the United States Government may exercise. The Union agrees that any actions taken by the Company pursuant to a requirement of the United States Government shall not constitute a breach of this Agreement. Nothing in this Agreement shall be construed to prevent institution of any change prior to discussion with the Union where immediate change is required by the United States Government. The Company will, however, negotiate with the Union concerning the effects of any such change. The Union and the Company recognize, and will abide by Executive Orders 11246 and Title VII of the Civil Rights Act of 1964 and all related rules, laws, and regulations as amended.

Section B:

Pursuant to the Code of Federal Regulations and Wage and Hour Manual 93:10(BNA) from the Department of Labor, all meetings, lectures, and training programs mandated by the Company in which attendance is required as a condition of continuing employment, must be paid at the regular base rate for a minimum of two hours. (E.g. - Food Handler Certification meetings, Sanitation meetings, etc.) The Union agrees that any such meetings attended before employment begins are not payable by the Company.

Article XXX - General

Section A:

This Agreement and the local Addendum hereto, when accepted by the parties hereto and signed by the respective representatives thereunto duly authorized, shall constitute the sole agreement between them involving the employees covered by the Agreement. Any alterations or modification of this Agreement must be made by and between the parties hereto and must be in writing.

Section B:

In the event any provision of this Agreement or of any local Addendum hereto is declared invalid by any competent Court or Governmental agency on account of existing or future legislation, such invalidation shall not affect the remaining provisions of this Agreement and the local Addendum.

Section C:

Any employee leaving the service of the Company will, upon request from the employee, be furnished with a letter setting forth the Company's record of his job classification, stating his length of service and beginning and ending rate of pay.

Section D:

Employees entering the service of the Company may be required to take a physical examination specified by the Company. any time thereafter, an employee may be subjected to further physical examinations during the course of his employment or recall to service after layoff or leave of absence.

Section E:

The Company shall provide bulletin board space at each facility for use by the Union.

Section F:

Company payroll records with respect to any employee in the unit whose pay is questioned will be provided upon request of the Union within a reasonable period of time, except for payroll records with respect to the current period with respect to such an employee, which may be examined by the Union upon request during business hours.

Section G:

Subject to the express limitations of this Agreement and any applicable local Addendum hereto, the Company retains the sole and exclusive right in its discretion to manage its business, to hire, discharge for cause, lay off, assign, transfer, promote or demote employees, to determine the starting and quitting time, to establish or discontinue or change operations, productions, or work standards or plant rules, provided, however, that with respect to any action which results in a change in established work rules, existing hours of work or the size of the work force, the Company shall give prior notice to the Union before taking such action on such matters. If the Company should make such changes without giving prior notice to the Union or without prior consent of the employees involved, the Company shall be held liable for any wages lost due to such changes. Nothing herein shall prevent individual employees, either alone, or with a Union representative, from consulting with Company representatives on problems relating to their individual work schedules.

Article XXXI - Working Conditions**Section A:**

Employees will not be required or compelled to work in ambient temperatures below 40 degrees Fahrenheit for more than fifteen minutes per half-hour, adequate clothing will be provided in all such cases.

Section B:

Individual employees will not be required or compelled to lift in excess of 40 pounds without the aid of another employee. Furthermore, individual employees will not be required to lift more than 15 pounds above shoulder height.

Section C:

Employees will not be required or compelled to operate or use any equipment that is missing parts or has defective parts, of any kind.

Article XXXII - Duration**Section A:**

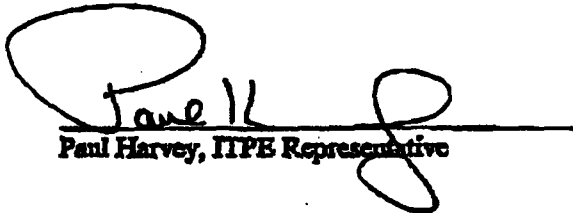
This Agreement shall be come effective October 1, 2000 and shall continue in full force and effect until September 30, 2003, and shall renew itself each successive October 1 thereafter unless written notice of an intended change is served in accordance with the Labor Management Relations Act, as amended, by either party hereto at least 60 days but not more than ninety days prior to the termination date of the contract.

Section B:

For the purpose of negotiating changes in wages, group insurance contributions, sick leave, vacation and holidays, as well as changes in or the introduction of other fringe benefits for a covered facility, the parties shall meet on or about January 1 of each contract year. If the parties are unable to reach agreement by March 31 of each year, either party may terminate this Agreement upon ten days written notice to the other party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

FOR THE UNION: Industrial Technical And Professional Employees Union, AFL-CIO


Paul Harvey, ITPE Representative

10/6/00
Date

FOR THE COMPANY: Blackstone Consulting, Inc.


Ronald J. Blackstone, President

10/16/00
Date

Addendum

Whereas, Blackstone Consulting, Inc., (hereinafter, the "Company") and Industrial Technical and Professional Employees Union, AFL-CIO, (hereinafter, the "Union") have entered into an Agreement effective October 1, 2000 and

Whereas, the Union has been duly designated by the Company's non-supervisory employees at MCAS Miramar, San Diego, California, as their collective bargaining representative, and

Whereas, the aforementioned agreement provides for the Company and the Union to negotiate each year for changes in the Wages and Fringe Benefits for the above-named facility, and to enter into an Agreement setting forth those economic terms.

NOW THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

WAGES

<u>Current:</u>	
Food Sanitation Specialist I	\$9.07
Food Sanitation Specialist II	\$9.59
Lead Worker	\$10.04
Salad Maker	\$9.76
Cashier	\$9.69
Pot & Pan Washer	\$9.69
Storeroom Clerk	\$11.10
Cook I	\$11.10
Cook II/Baker	\$12.05

Company shall have the right to hire not more than ten (10%) percent of its total "new hire" Food Sanitation Specialist I work force for a training program. A "new hire" employee shall be placed in the classification of Food Sanitation Specialist I for a period not to exceed thirty days. Upon completion of this training period, the employee shall be advanced to the classification of Food Sanitation Specialist II. A "new hire" is an employee who has not worked at this federal facility, with any predecessor or current contractors.

<u>Effective March 1, 2001:</u>	
Food Sanitation Specialist I	\$9.20
Food Sanitation Specialist II	\$9.69
Lead Worker	\$10.34
Salad Maker	\$9.86
Cashier	\$9.79
Pot & Pan Washer	\$9.79
Storeroom Clerk	\$11.43
Cook I	\$11.43
Cook II/Baker	\$12.41

Company shall have the right to hire not more than ten (10%) percent of its total "new hire" Food Sanitation Specialist I work force for a training program. A "new hire" employee shall be placed in the classification of Food Sanitation Specialist I for a period not to exceed thirty days. Upon completion of this training period, the employee shall be advanced to the classification of Food Sanitation Specialist II. A "new hire" is an employee who has not worked at this federal facility, with any predecessor or current contractors.

HEALTH AND WELFARE

Current:

The Company shall contribute to the ITPE Health and Welfare Plan the sum one dollar and thirty-nine cents (\$1.39) per hour for all straight time hours worked plus all hours of paid vacation, holidays, and sick leave, for each and every employee covered by this Agreement.

In executing this agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE Health and Welfare Plan and any amendments duly adopted thereto. The Company further agrees to be bound by all resolutions and other actions taken by the Board of Trustees of such plan.

Contributions For Family or Medical Leave. The Company shall contribute one dollar and thirty-nine cents (\$1.39) per hour to the ITPE Health and Welfare Plan on behalf of any employee who is on a family or medical leave of absence under the federal Family and Medical Leave Act. In order to be eligible for such contributions, an employee must have worked for the Company or its Predecessor at the Base for a total of at least twelve (12) months and for at least 1,250 hours in the twelve (12) month period preceding the period of family or medical leave.

In no event shall contributions for family or medical leave exceed a period of twelve (12) weeks per employee in any calendar year. the hours of contributions for each week of family or medical leave shall be calculated by determining the average weekly hours worked by the employee during the twelve (12) week period preceding family or medical leave, including all hours during said period of paid vacation, holiday and or sick leave.

Effective March 1, 2001:

The Company shall contribute to the ITPE Health and Welfare Plan the sum one dollar and ninety cents (\$1.90) per hour for all straight time hours worked plus all hours of paid vacation, holidays, and sick leave, for each and every employee covered by this Agreement.

In executing this agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE Health and Welfare Plan and any amendments duly adopted thereto. The Company further agrees to be bound by all resolutions and other actions taken by the Board of Trustees of such plan.

Contributions For Family or Medical Leave. The Company shall contribute one dollar and ninety cents (1.90) per hour to the ITPE Health and Welfare Plan on behalf of any employee who is on a family or medical leave of absence under the federal Family and Medical Leave Act. In order to be eligible for such contributions, an employee must have worked for the Company or its Predecessor *MCAS Miramar, San Diego, CA (Food Service)*

at the Base for a total of at least twelve (12) months and for at least 1,250 hours in the twelve (12) month period preceding the period of family or medical leave.

In no event shall contributions for family or medical leave exceed a period of twelve (12) weeks per employee in any calendar year. the hours of contributions for each week of family or medical leave shall be calculated by determining the average weekly hours worked by the employee during the twelve (12) week period preceding family or medical leave, including all hours during said period of paid vacation, holiday and or sick leave.

PENSION

Current and Effective March 1, 2001:

The Company shall contribute to the TIPE Pension Plan the sum of Fifty (\$0.50) cents per hour for all straight time hours worked plus all hours of paid vacation, holidays, and sick leave, for each and every employee covered by this Agreement.

In executing this agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the TIPE Pension Plan and any amendments duly adopted thereto.

The Company further agrees to be bound by all resolutions and other actions taken by the Board of Trustees of such plan.

VACATIONS

Employees will accrue vacation credit in accordance with the following schedule:

Current and Effective March 1, 2001:

After one (1) year of service, two (2) weeks of vacation credit.

After five (5) years of service, three (3) weeks of vacation credit.

After ten (10) years of service, four (4) weeks of vacation credit.

The term "hours previously worked" shall include hours of vacation and holidays. Length of service includes the whole span of continuous service with the present (successor) contractor, wherever employed, and with the predecessor contractors in the performance of similar work at the same federal Facility.

Vacations will not be accumulated from year to year, nor taken back to back. If the company consents, the employee may elect not to take his vacation, in which case he will receive pay in lieu thereof on the anniversary dated of his employment. the employee may take his vacation in more than one segment with the consent of the Company. the employee will be paid at the rate current when the vacation was due.

Pro rata vacation pay shall be given to all employees who leave the Company's employment prior to their anniversary dates.

An employee will receive an extra day's vacation or be paid an extra day's pay for a paid holiday which falls within his vacation period, in accordance with the provisions of Article XXI, Holidays. Vacation will be granted at times most desired by the employees in order of their seniority within their work schedule, but the final right as to allotment and scheduling of vacation periods is reserved to the Company in order to assure the orderly operation of its business. Except in case of emergency, a vacation period once assigned will not be canceled by the Company except with agreement of the employee.

Temporary layoffs or leaves of absence during the year will not interrupt the continuity of service for the purpose of eligibility for vacation, and shall be counted toward the required year for each vacation period.

HOLIDAYS

Current and Effective March 1, 2001:

- | | |
|--|----------------------|
| 01. New Years Day | 07. Labor Day |
| 02. Martin Luther King, Jr.'s Birthday | 08. Columbus' Day |
| 03. President's Day | 09. Veterans' Day |
| 04. Memorial Day | 10. Thanksgiving Day |
| 05. Independence Day | 11. Christmas Day |
| 06. Employee's Birthday | |

Every employee will be compensated for the above holidays. In computing the number of hours for which an employee is entitled to compensation at the hourly base rate of pay, the proportion which the average number of hours worked by an employee during the preceding normal work week bears to forty (40) hours shall be applied to eight (8) hours to determine the number of paid hours said employee is entitled to receive. For example: work week preceding the holiday week, his holiday pay would be computed by taking $\frac{3}{4}$ (30/40) of eight (8) hours and multiplying the resulting six (6) hours by his hourly base rate of pay. Any work performed on a holiday will be paid at the employee's regular rate of pay in addition to the holiday pay. If any of the named holidays fall on a non-working day, the employee either observe the holiday on the following working day or shall receive pay for their average number of hours normally worked in lieu of the observance above their normal compensation for work performed.

In the event that one of the holidays shall occur during the employee's vacation, the employee will receive an additional day of paid vacation, unless the employee and the Company agree that he may receive pay in lieu thereof.

When the Company requires work on any shift on a holiday, it shall post a notice of such requirements at least seven (7) days prior to that holiday. Said notice shall provide space for the signatures of volunteers for such work. If not enough qualified volunteers sign said notice within three (3) days after posting, the Company shall select qualified employees in reverse seniority to



ATTACHMENT VII-2

COLLECTIVE BARGAINING AGREEMENT

BETWEEN

MOORE CAFETERIA SERVICES INC.

AND

INDUSTRIAL, TECHNICAL AND PROFESSIONAL EMPLOYEES UNION (ITPEU)

AT

MCB, CAMP PENDLETON, CA

only

**Addendum to Collective Bargaining Agreement
between
MCS Management, Inc.
and
Industrial, Technical and Professional Employees Union
at Camp Pendleton
Effective October 1, 2001 through September 30, 2002**

APPENDICES

**APPENDIX A
WAGES**

	<u>Current</u>	<u>Effective October 1, 2001</u>
Food Sanitation Specialist	\$9.00	\$9.27
Food Sanitation Specialist Leader	\$10.14	\$10.44
Cashier/Headcounter	\$9.00	\$9.27
Baker	\$12.35	\$12.72
Cook II (Senior Cook)	\$12.35	\$12.72
Cook I	\$11.43	\$11.74
Storekeeper	\$11.05	\$11.38
*Truck Driver	\$10.49	\$10.80
*McFinnis Clerk	\$12.05	\$12.41

* Classifications which may be added if necessary.

Employees who work between 2200 hours and 0400 hours will receive a premium of 25¢ per hour which will be added to their straight time daily rate of pay.

**APPENDIX B
TRAVEL ALLOWANCE**

Current All employees assigned to Mess Hall Nos. 43402, 53502 and 52522 shall receive a distance allowance of eighty cents (80¢) per hour for all hours worked in addition to their regular rate of pay. This is not to be considered or construed as payment for travel to or from work.

Effective October 1, 2001 All employees assigned to Mess Hall Nos. 43402, 53502 and 62502 shall receive a distance allowance of ninety cents (90¢) per hour for all hours worked in addition to their regular rate of pay. This is not to be considered or construed as payment for travel to or from work.

APPENDIX C

HEALTH AND WELFARE

Current. The Company shall contribute to the ITPE Health and Welfare Plan the sum of One Dollar and Sixty-Three Cents (\$1.63) per hour for all straight time hours actually worked for each and every employee covered by this Agreement, not to exceed 40 hours in any one week.

In executing this Agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE Health and Welfare Plan and any amendments duly adopted thereto. The Company further agrees to be bound by all resolutions and other actions taken by the Board of Trustees of such plan.

Effective October 1, 2001. The Company shall contribute to the ITPE Health and Welfare Plan the sum of One Dollar and Eighty-Two Cents (\$1.82) per hour for all straight time hours actually worked for each and every employee covered by this Agreement, not to exceed 40 hours in any one week.

In executing this Agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE Health and Welfare Plan and any amendments duly adopted thereto. The Company further agrees to be bound by all resolutions and other actions taken by the Board of Trustees of such plan.

Contributions for Family or Medical Leave. In accordance with the provisions of the ITPE Health & Welfare Plan, effective October 1, 2001, the Company shall contribute One Dollar and Eighty-Two Cents (\$1.82) per hour to the ITPE Health and Welfare Plan on behalf of any employee who is on a personal leave of absence under the Federal Family and Medical Leave Act for any such absence that extends beyond eight (8) weeks, commencing after the eighth week and for a maximum of four (4) weeks. In order to be eligible for such contributions, an employee must have worked for the Company or its Predecessor at the Base for a total of at least twelve (12) months and for at least 1,250 hours in the twelve (12) month period preceding the period of family or medical leave.

In no event shall contributions for FMLA personal leave exceed a period of four (4) weeks per employee in any calendar year. The hours of contributions for each week of family or medical leave shall be calculated by determining the average weekly hours worked by the employee during the twelve (12) week period preceding the FMLA leave.

In the event of an employee's family-related FMLA absence, contributions will commence with the occurrence of the absence and will not exceed 12 weeks in any calendar year. Such contributions will be calculated on the same basis as set forth above.

APPENDIX D

PENSION

Current and Effective October 1, 2001. The Company shall contribute to the ITPE Pension Plan the sum of Fifty Cents (50¢) per hour for all straight time actual hours worked, not to exceed 40 hours in any one week.

In executing this Agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE Pension Plan and any amendments duly adopted thereon. The Company further agrees to be bound by all resolutions and other actions taken by the Board of Trustees of such plan.

APPENDIX E

VACATIONS

Vacation compensation will be paid as follows:

Current and Effective October 1, 2001. After one (1) year of continuous service with the incumbent contractor or successor and each anniversary date thereafter, one hour for every twenty-six (26) hours worked.

After four (4) years of continuous service with the incumbent contractor or successor and each anniversary date thereafter, one hour for every seventeen (17) hours worked.

After fifteen (15) years of continuous service with the incumbent contractor or successor and each anniversary date thereafter, one hour for every thirteen (13) hours worked.

APPENDIX F

HOLIDAYS

Current and Effective October 1, 2001.

- | | |
|---------------------------------------|---------------------|
| 1. New Year's Day | 6. Labor Day |
| 2. Martin Luther King, Jr.'s Birthday | 7. Columbus Day |
| 3. Washington's Birthday | 8. Veterans' Day |
| 4. Memorial Day | 9. Thanksgiving Day |
| 5. Independence Day | 10. Christmas Day |

APPENDIX G

SICK LEAVE

Current and Effective October 1, 2001. Sick leave will be computed on the basis of one hour of paid sick leave for each 52 hours worked, not to exceed five (5) days annually. The hours

earned shall be computed on the basis of the completion of 416 hours worked beginning with the advent of each employee's anniversary date. Sick leave may not be accumulated from year to year. All unused sick leave benefits shall be paid in cash at the completion of each employee's anniversary date.

After the beginning of each new employee year, no sick leave will be paid until the completion of each 416 hours work segment which equals eight (8) hours of accrual pay. No accrued sick leave will be paid to any individual who is terminated or resigns prior to completion of such full 416 hours work segment. Any employee who resigns will be required to notify the Company in writing at least two weeks prior to the employee's last day of work in order to be eligible to collect the unused prorated amount of sick leave. An employee applying for sick leave benefits may be required to submit a doctor's certificate from a licensed medical physician.

APPENDIX H BEREAVEMENT LEAVE

Current and Effective October 1, 2001. Employees will be allowed three (3) days of paid bereavement leave computed on the basis of their average weekly straight time hours of work for the preceding four (4) weeks in connection with the death of a member of the employee's immediate family (spouse, children, parents, mother-in-law, father-in-law, siblings, grandparents and grandchildren).

APPENDIX I JURY DUTY

Current and Effective October 1, 2001. The Company will compensate employees called for jury duty the difference between their jury pay and their regular straight-time pay if such jury service falls on the employee's regularly scheduled work day(s), up to a maximum of ten (10) days. The amount owed to an employee will be based on the employee's hours worked during the preceding week.

Employees will be required to produce their jury pay receipt in order to receive compensation as set forth above. Upon return from jury duty, an employee will be reinstated to his/her former or equivalent position of employment.

If an employee is released from jury duty prior to the end of his/her scheduled work shift, the employee must call the personnel office or supervisor to determine whether or not to return to work for the remainder of his/her shift.

APPENDIX J DISCHARGE & DISCIPLINE

In the interest of maintaining order and efficiency, employees are expected to observe Company rules and regulations. Disciplinary action, up to and including discharge, may be imposed for the

offenses or violations described below. In making its decision as to whether an employee should be disciplined for violation of Company rules and regulations, and in determining the extent of such discipline, the Company will take into consideration all of the circumstances involved, and may take into consideration as well the employee's record with the Company.

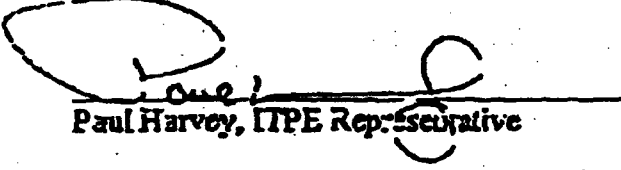
Class A Offenses. The following offenses may result in immediate discharge upon commission of the first offense:

1. Theft or unauthorized use of Company or Government property.
2. Eating Government food without paying for it.
3. Unlawful possession of alcohol, illegal drugs or substances on the job site.
4. Intoxication or drinking on the job.
5. Use of illegal drugs or substances.
6. Unauthorized possession of weapons on the job site.
7. Fighting or physical violence, or threat of physical violence to any person on the job site.
8. Refusal to perform assigned work.
9. Willful damage to Company or Government property.
10. Falsification of, or misrepresentations on, Company records, including, but not limited to, employment application, time cards, or work records.
11. Sexual harassment toward fellow employees, or use of offensive or abusive language or conduct, including, but not limited to, racial or ethnic slurs.
12. Rudeness or disrespect to supervisors or military personnel.
13. Conduct seriously reflecting adversely on the Company.
14. Absence of two consecutive days without notification, or without reason acceptable to the Company.
15. Horseplay or disorderly conduct.
16. Other offenses of a serious nature warranting termination, with agreement of the Union.

Class B Offenses. The following offenses warrant the imposition of disciplinary action, including written warnings and/or suspension, depending on the circumstances and severity of the offense. In general, the commission of three Class B Offenses within a 12-month period will result in termination of employment.

1. Habitual or excessive tardiness.
2. Unsatisfactory attendance. (Two (2) or more unauthorized or unexcused absences in a one (1) month period; or excessive absences regardless of the reason (excluding FMLA, workers' compensation, vacation, and authorized leaves of absence) that affect an employee's being available to perform his or her job.)
3. Failure to follow instructions.
4. Unsatisfactory performance of duties.
5. The use of Company time for other than Company business without prior approval.
6. Interference or non-cooperation with co-workers or supervisors.
7. Leaving assigned work area without permission of supervisor, except during authorized lunch periods or break periods.
8. Failure to comply with other reasonable Company work rules or policies that do not conflict with other provisions of this Agreement.

**FOR THE UNION: Industrial, Technical and Professional Employees Union,
AFL-CIO**


Paul Harvey, ITPE Representative

Date: September 1, 2001

FOR THE COMPANY: M.C.S. Management, Inc.


Dan Moore, President

Date: September 1, 2001

**Addendum to Collective Bargaining Agreement
between
MCS Management, Inc.
and
Industrial, Technical and Professional Employees Union
at Camp Pendleton
effective October 1, 2000 through September 30, 2001**

APPENDICES

**APPENDIX A.
WAGES**

Current

Food Sanitation Specialist	\$8.70
Food Sanitation Specialist Leader	\$9.84
Cashier/Headcounter	\$8.70
Baker	\$12.05
Cook II (Senior Cook)	\$12.05
Cook I	\$11.10
Storekeeper	\$10.75
*Truck Driver	\$10.49
*McFimis Clerk	\$12.05

Effective October 1, 2000

Food Sanitation Specialist	\$9.00
Food Sanitation Specialist Leader	\$10.14
Cashier/Headcounter	\$9.00
Baker	\$12.35
Cook II (Senior Cook)	\$12.35
Cook I	\$11.40
Storekeeper	\$11.05
*Truck Driver	\$10.49
*McFimis Clerk	\$12.05

* Classifications which may be added if necessary.

Employees who work between 2200 hours and 0400 hours will receive a premium of 25¢ per hour which will be added to their straight time daily rate of pay.

APPENDIX B
TRAVEL ALLOWANCE

Current and Effective October 1, 2000. All employees assigned to Mess Hall Nos. 43402, 53502 and 62502 shall receive a distance allowance of eighty cents (80¢) per hour for all hours worked in addition to their regular rate of pay. This is not to be considered or construed as payment for travel to or from work.

APPENDIX C
HEALTH AND WELFARE

Current. The Company shall contribute to the ITPE Health and Welfare Plan the sum of One Dollar and Thirty-Nine Cents (\$1.39) per hour for all straight time hours worked plus all hours of paid vacation, holidays, and sick leave, for each and every employee covered by this Agreement.

In executing this Agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE Health and Welfare Plan and any amendments duly adopted thereto. The Company further agrees to be bound by all resolutions and other actions taken by the Board of Trustees of such plan.

Effective October 1, 2000. The Company shall contribute to the ITPE Health and Welfare Plan the sum of One Dollar and Sixty-Three Cents (\$1.63) per hour for all straight time hours actually worked for each and every employee covered by this Agreement, not to exceed 40 hours in any one week.

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In no event shall contributions for FMLA personal leave exceed a period of four (4) weeks per employee in any calendar year. The hours of contributions for each week of family or medical leave shall be calculated by determining the average weekly hours worked by the employee during the twelve (12) week period preceding the FMLA leave.

In the event of an employee's family-related FMLA absence, contributions will commence with the occurrence of the absence and will not exceed 12 weeks in any calendar year. Such contributions will be calculated on the same basis as set forth above.

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APPENDIX E VACATIONS

Vacation compensation will be paid as follows:

Current and Effective October 1, 2000. After one (1) year of continuous service with the incumbent contractor or successor and each anniversary date thereafter, one hour for every twenty-six (26) hours worked.

After four (4) years of continuous service with the incumbent contractor or successor and each anniversary date thereafter, one hour for every seventeen (17) hours worked.

After fifteen (15) years of continuous service with the incumbent contractor or successor and each anniversary date thereafter, one hour for every thirteen (13) hours worked.

APPENDIX F HOLIDAYS

Current and Effective October 1, 2000.

- | | |
|---------------------------------------|---------------------|
| 1. New Year's Day | 6. Labor Day |
| 2. Martin Luther King, Jr.'s Birthday | 7. Columbus Day |
| 3. Washington's Birthday | 8. Veterans' Day |
| 4. Memorial Day | 9. Thanksgiving Day |
| 5. Independence Day | 10. Christmas Day |

APPENDIX G
SAFETY AND ACCIDENT PREVENTION (SAP) LEAVE

Current. All employees will be eligible to begin accruing SAP leave on the basis of one (1) hour of SAP leave for each 52 hours worked, not to exceed five (5) days annually. The hours earned shall be computed on the basis of the completion of 416 hours worked beginning with the advent of each employee's anniversary date. All unused and accrued SAP leave benefits shall be paid in cash at the completion of each employee's anniversary date.

After the beginning of each new employee year, no SAP leave will be paid until the completion of each 416 hours work segment which equals eight (8) hours of accrual pay. No accrued SAP leave will be paid to any individual who is terminated or resigns prior to completion of each full 416 hours work segment. Any employee who resigns will be required to notify the Company, in writing, at least two weeks prior to the employee's last day of work in order to be eligible to collect the unused prorated amount of SAP leave.

Effective October 1, 2000. SAP Leave will be discontinued, and will be replaced with Sick Leave.

APPENDIX H
SICK LEAVE

Sick leave will be computed on the basis of one hour of paid sick leave for each 52 hours worked, not to exceed five (5) days annually. The hours earned shall be computed on the basis of the completion of 416 hours worked beginning with the advent of each employee's anniversary date. Sick leave may not be accumulated from year to year. All unused sick leave benefits shall be paid in cash at the completion of each employee's anniversary date.

After the beginning of each new employee year, no sick leave will be paid until the completion of each 416 hours work segment which equals eight (8) hours of accrual pay. No accrued sick leave will be paid to any individual who is terminated or resigns prior to completion of such full 416 hours work segment. Any employee who resigns will be required to notify the Company in writing at least two weeks prior to the employee's last day of work in order to be eligible to collect the unused prorated amount of sick leave. An employee applying for sick leave benefits may be required to submit a doctor's certificate from a licensed medical physician.

APPENDIX I
BEREAVEMENT LEAVE

Employees will be allowed three (3) days of paid bereavement leave computed on the basis of their average weekly straight time hours of work for the preceding four (4) weeks in connection with the death of a member of the employee's immediate family (spouse, children, parents, mother-in-law, father-in-law, siblings, grandparents and grandchildren).

APPENDIX J

JURY DUTY

The Company will compensate employees called for jury duty the difference between their jury pay and their regular straight-time pay if such jury service falls on the employee's regularly scheduled work day(s), up to a maximum of ten (10) days. The amount owed to an employee will be based on the employee's hours worked during the preceding week.

Employees will be required to produce their jury pay receipt in order to receive compensation as set forth above. Upon return from jury duty, an employee will be reinstated to his/her former or equivalent position of employment.

If an employee is released from jury duty prior to the end of his/her scheduled work shift, the employee must call the personnel office or supervisor to determine whether or not to return to work for the remainder of his/her shift.

APPENDIX K

DISCHARGE & DISCIPLINE

In the interest of maintaining order and efficiency, employees are expected to observe Company rules and regulations. Disciplinary action, up to and including discharge, may be imposed for the offenses or violations described below. In making its decision as to whether an employee should be disciplined for violation of Company rules and regulations, and in determining the extent of such discipline, the Company will take into consideration all of the circumstances involved, and may take into consideration as well the employee's record with the Company.

Class A Offenses. The following offenses may result in immediate discharge upon commission of the first offense:

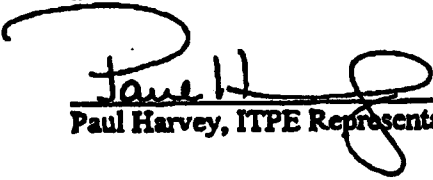
1. Theft or unauthorized use of Company or Government property.
2. Eating Government food without paying for it.
3. Unlawful possession of alcohol, illegal drugs or substances on the job site.
4. Intoxication or drinking on the job.
5. Use of illegal drugs or substances.
6. Unauthorized possession of weapons on the job site.
7. Fighting or physical violence, or threat of physical violence to any person on the job site.
8. Refusal to perform assigned work.

9. Willful damage to Company or Government property.
10. Falsification of, or misrepresentations on, Company records, including, but not limited to, employment application, time cards, or work records.
11. Sexual harassment toward fellow employees, or use of offensive or abusive language or conduct, including, but not limited to, racial or ethnic slurs.
12. Rudeness or disrespect to supervisors or military personnel.
13. Conduct seriously reflecting adversely on the Company.
14. Absence of two consecutive days without notification, or without reason acceptable to the Company.
15. Horseplay or disorderly conduct.
16. Other offenses of a serious nature warranting termination, with agreement of the Union.

Class B Offenses. The following offenses warrant the imposition of disciplinary action, including written warnings and/or suspension, depending on the circumstances and severity of the offense. In general, the commission of three Class B Offenses within a 12-month period will result in termination of employment.

1. Habitual or excessive tardiness.
2. Unsatisfactory attendance. (Two (2) or more unauthorized or unexcused absences in a one (1) month period; or excessive absences regardless of the reason (excluding FMLA, workers' compensation, vacation, and authorized leaves of absence) that affect an employee's being available to perform his or her job.)
3. Failure to follow instructions.
4. Unsatisfactory performance of duties.
5. The use of Company time for other than Company business without prior approval.
6. Interference or non-cooperation with co-workers or supervisors.
7. Leaving assigned work area without permission of supervisor, except during authorized lunch periods or break periods.
8. Failure to comply with other reasonable Company work rules or policies that do not conflict with other provisions of this Agreement.

FOR THE UNION: Industrial, Technical and Professional Employees Union, AFL-CIO


Paul Harvey, ITPE Representative

Date: 12/1/00

FOR THE COMPANY: M.C.S. Management, Inc.


Dan Moore, President

Date: 12/1/2000

COLLECTIVE BARGAINING AGREEMENT

Between

MSC MANAGEMENT, INC.

and

**INDUSTRIAL, TECHNICAL AND PROFESSIONAL
EMPLOYEES UNION, AFL-CIO**

at

CAMP PENDLETON

TERM: October 1, 2000 through September 30, 2001

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PREAMBLE

THIS AGREEMENT is entered into by and between M.C.S. MANAGEMENT, INC. (hereinafter referred to as the "COMPANY") and INDUSTRIAL, TECHNICAL AND PROFESSIONAL EMPLOYEES UNION, AFL-CIO, (hereinafter referred to as the "UNION") as representatives of all its non-supervisory employees, in the mutual interests of the employees and the Company to promote and further the efficiency and economy of operations, and to provide orderly Collective Bargaining Relations, a method for the prompt and equitable disposition of grievances, and a method for the establishment of fair wages, hours, and working conditions for the employees covered hereunder. In making this Agreement it is recognized to be the duty of the parties to cooperate fully with each other, both individually and collectively, for the advancement of the purposes of this Agreement.

ARTICLE I - UNION RECOGNITION

SECTION A. The Company hereby recognizes the Union as the sole bargaining agent for all of its employees identified in the Addendum. Supervisory employees, as defined by the National Labor Relations Act, and clerical employees are excluded from this Agreement.

SECTION B. Whenever the words "employee or employees" are used in this Agreement, they designate only such employees as are covered by this Agreement. Whenever in this Agreement employees or jobs are referred to in the male gender, it will be recognized as referring to both male and female employees.

SECTION C. It is understood by this Section that the parties hereto shall not use any leasing or subcontracting device to evade the terms of this Agreement. The Company shall give a copy of this Agreement and any Addendum hereto to the Contracting Officer at every Base where this Agreement is applicable.

ARTICLE II - UNION SECURITY AND MEMBERSHIP

SECTION A. It shall be a condition of continued employment that all employees of the Company covered by this Agreement who are members of the Union in good standing on the effective date of this Agreement shall remain in good standing and those who are not members on the effective date of this Agreement, shall on or after the thirtieth (30th) day following the effective date of this Agreement become and remain members in good standing of the Union. It shall be a condition of continued employment that all employees of the Company covered by this Agreement and hired on or after its effective date or execution date, whichever comes later, shall on or after the thirtieth (30th) day following the beginning of such employment become and remain members in good standing of the Union.

SECTION B. Union Shop provision to take effect if Prohibition Law is invalidated.

The provisions of Article II, Section A, shall be deemed to be of no force and effect in any state whose law governs this contract to the extent to which the making or enforcement of such provisions is contrary to statutes, constitutional amendment or the law of the state, provided however, that whenever any such court of last resort having jurisdiction of such questions finds the state law to be invalid or inapplicable, the provisions of Section A above shall immediately thereupon be deemed to cover this bargaining unit or employees directly affected by such declaration or invalidity.

SECTION C. If the provisions of Article II, Section A, shall be deemed to be of no force and effect, then the following shall govern: employees who are members of the Union on the date of execution hereof, shall maintain their membership in the Union as a condition of employment during the term hereof.

SECTION D. The Company will deduct from the wages of any employee covered by this Agreement said employee's dues, as a member of the Union, upon receiving the employee's voluntary and individual written authorization for the Company to make such deductions, signed by the employee. Such authorization form shall be provided by the Union. The Company will pay over to the proper officer of the Union the wages withheld for such initiation fees and dues. The remittances shall be accompanied by a list showing individual names, social security numbers, and amounts deducted. The total remittances are to be made no later than forty five (45) days after deduction. The Union shall advise the Company of the amount of dues and the manner in which same shall be deducted. The amount so withheld, less any amounts due to any improper withholding shall be reported and paid to the Union monthly.

SECTION E. Payment for employees' Union membership dues shall not be required as a condition of employment during leaves of absence without pay in excess of thirty (30) days or during periods of permanent transfer to a classification not covered by this Agreement.

SECTION F. In the event of termination of employment, there shall be no obligation upon the Company to collect dues until all other deductions have been made.

SECTION G. The Company will make available to the Union a list of newly hired and terminated employees covered by this Agreement. Such list will be prepared monthly and will show the name, social security number, address, job classification, and hire or termination date of such employees who are hired or terminated during the month for which the list is prepared. This selection is intended by the parties only to facilitate Union membership dues deductions and other Union representation matters, and shall not be deemed to limit, in any way, the Company's rights to hire and terminate employees.

SECTION H. The Company shall notify the Union of all job openings within the bargaining unit covered by this Agreement. The Union may refer applicants for such openings. In interviewing and hiring for such job openings, the Company will not discriminate against any applicant referred by the Union. Nothing in this contract however, shall be construed to create an exclusive hiring hall arrangement, and the Company shall at all times be free to advertise and list said job openings from any source available to the Company.

SECTION I. The Company shall be the sole judge of the qualifications of its employees, but shall give full consideration, without prejudice, to the members of the Union, provided they have the necessary qualifications. The Company's decision to hire applicants and not to hire applicants shall not be subject to the grievance or arbitration procedures of this contract.

SECTION J. The Union agrees to indemnify and save the Company harmless against any claim, suits, judgments or liabilities of any sort whatsoever arising out of the Company's compliance with the provisions of this Union Security and Membership Article.

ARTICLE III - EQUAL OPPORTUNITY

SECTION A. In accordance with established policy of the Company and the Union, the provisions of the Agreement will apply equally to all employees hereunder regardless of sex, color, religion, age, race, creed, national origin, disability, or veteran status. The Company and the Union also recognize the desirability of implementing the National Policy, providing equal opportunity to all persons and agrees to work actively toward the implementation of that policy.

SECTION B. There will be no discrimination against any employee on account of membership in, or activity on behalf of the Union.

ARTICLE IV - ACCESS TO UNIT

Duly authorized representatives of the Union shall be permitted to investigate the standing of all employees and investigate conditions to see that the Agreement is being enforced, provided that no interview shall be held while employees are on the clock or that will unreasonably interrupt the duties of any employee. The Company shall be notified by the Union Representative before he/she shall take action with the person involved. The representative of the Union shall contact the highest ranking Company representative then present at the facility and inform him/her of the circumstances. The Company and the Union representatives shall conduct themselves in such a manner as to carry out the intent and spirit of this Article.

ARTICLE V - PROBATIONARY PERIOD

SECTION A. Every new or rehired employee shall be on probation for the first ninety (90) days of employment or re-employment.

SECTION B. At any time during the probationary period, an employee may be discharge for any reason. Any such employee so discharged shall not have the right to file a grievance or have other recourse to grievance procedure.

ARTICLE VI - SENIORITY

SECTION A. It is agreed that the Company and the Union will meet for the purpose of establishing a seniority list for all employees employed in the unit at the time of the signing of

the Agreement. Said seniority list will be based upon official records of the Union, of the Company, its predecessors, and state and federal agencies. Not later than fifteen (15) days prior to the expiration of the Company's contract covering the base, the Company shall furnish the Union and the successor contractor a list of all its current employees together with their dates of hire and the dates their last vacation was paid by the Company. The following Sections in this Article shall become applicable and shall be in full force and effect upon the establishment of the seniority list. In establishing the initial seniority list for employees at the time of the signing of this Agreement, employees transferred to the Base covered by this Agreement shall receive seniority in accordance with their tenure of service with the Company or its franchise as the case may be, regardless of where such service was performed. Other employees transferred to the Base covered by this Agreement by the Company to fill vacancies shall likewise receive seniority in accordance with their tenure with the Company or its franchise, as the case may be, regardless of where such service was performed. Seniority shall, for all purposes of this Article, be on the basis of job classification.

SECTION B. In the event that the Company finds it necessary to layoff employees for any reason, other than disciplinary, such layoffs shall be on the basis of seniority, i.e., the employee on duty in the establishment where the layoff occurs having the shorter period of continuous service shall be laid off before any other employee having a longer period of continuous service. The Company shall recall such employees in the reverse order. Senior employees may, however, exercise their seniority rights by taking a job in a lower classification at the corresponding lower rate of pay.

SECTION C. Except as otherwise provided in Section A of this Article, seniority shall be measured from the date of the employee's initial hire at the Base with the Company or a predecessor employer engaged in providing similar services at the Base, provided there has been no break in the seniority under Section E of this Article.

Employees shall have the right to select available work by seniority for positions for which they are qualified. Each employee shall be given his work schedule as soon as practical after a schedule is published or revised.

SECTION D. An employee shall lose his seniority upon his retirement, resignation or discharge for just cause. An employee will be considered resigned if he:

1. Fails to report to work on the day following expiration of an authorized leave of absence, unless failure to report is due to conditions recognized by the Company to be beyond the control of the employee and he reported such conditions as soon as possible.
2. Is on layoff for a period exceeding one (1) year.
3. Is absent from work for two (2) consecutive work days without properly notifying the Company of the reason for absence, unless absence is recognized as being beyond the control of the employee, or in any event, fails to report for work as scheduled without such reason.

4. Fails, while on layoff, upon notice from the Company that work is available, to report to the company for work as soon as practicable, but not later than seven (7) calendar days after the Company gave notice and provided that the employee notifies the Company within three (3) days of such notice that he will return to work within the seven (7) period.

The Company fulfills its obligations under this Section by sending notice by telegram or by certified letter to the last known address of the employee. It is the obligation of the employee to keep the Company informed of his current address and telephone number.

SECTION E. An employee who has occupied a position with the Company covered by this Agreement and who accepts a position with the Company in a classification not covered by this Agreement, will continue to accrue seniority for nine (9) months, after which period he shall retain his accumulated seniority, provided he remains in the employ of the employer.

SECTION F. Any employee who comes in for a shift will be paid a minimum of two (2) hours per shift (show up time).

ARTICLE VII-DISCIPLINE AND DISCHARGE

SECTION A. No employee shall be discharged without just cause, and all dismissals will be subject to the grievance procedure and arbitration clause. All reprimands and discharge notices shall be in writing and shall be signed by the Project Manager.

Copies of the reprimand or discharge notice shall be given to the employee reprimanded and to the shop steward. Each reprimand shall be canceled after one (1) year. Grounds for disciplinary action are set forth in the Appendix to this Agreement.

ARTICLE VIII-GRIEVANCE PROCEDURE

SECTION A. A grievance is defined as a claim or dispute by the employer or employee or the Union concerning the interpretation of the application of this Agreement or any Addendum hereto.

SECTION B. All grievances must be presented in writing, filed and processed in accordance with the following exclusive procedure:

STEP 1. The employee who has a grievance shall discuss it with his direct supervisor either himself or through his steward. If the grievance is not settled at the Step 1 meeting, it may be appealed by the Union Representative to the Project Manager to Step 2 within ten (10) days of the Step 1 meeting. Company grievance shall be processed beginning with Step 2.

STEP 2. The Union Representative and the Project Manager will discuss the grievance. If the grievance is not disposed of to the satisfaction of the party filing, the grievance may be appealed to Step 3 by the party or representatives of the party filing the grievance by filing a written appeal to the opposing party within ten (10) days after Step 2.

STEP 3. Within ten (10) days after the appeal of the opposing party, the parties (the Company represented by the Company President or designated official, the Union represented by an official designated by the Union President) will attempt to settle the grievance. The party being complained against shall render the parties decision within ten (10) of such meeting. If the grievance is not disposed of to the satisfaction of the complaining party, the grievance may be appealed to arbitration by the Company or the Union lodging a written appeal with the other party within ten (10) days of receipt of such written decision.

SECTION C. A grievance involving discharge of an employee shall be brought directly to Step 2 and must be filed in writing by the grievant with the Project Manager within five (5) days of discharge.

SECTION D. A grievance not involving discharge shall be without effect unless filed in writing within five (5) days from the date the complaining party discovered the facts or should have discovered the facts giving rise to the grievance.

SECTION E. Stewards shall be afforded time off without loss of pay to investigate, discuss and present grievances. Such time shall be kept to a minimum.

SECTION F. At any step of the grievance procedure, the Company or the Union may designate a substitute for the official designated herein, other than persons who have previously participated in such grievance. The officially designated representative of each party may be accompanied by two (2) other persons at any step of the procedure except Step 1. The parties may mutually agree that further representatives may be present.

SECTION G. The time limits set forth in this Article may be extended mutually in writing. Time limits are exclusive of Saturday, Sunday and recognized holidays.

ARTICLE IX - ARBITRATION

SECTION A. Within ten (10) calendar days after the filing of the notice of the intent to submit the unsettled grievance to arbitration, the parties shall attempt to mutually select an impartial arbitrator. If the parties are unable to agree within five (5) calendar days of the meeting upon the choice of an arbitrator, they shall request the Federal Mediation and Conciliation Service to submit a list of five (5) persons qualified to act as the impartial arbitrator. A representative of the Company and a representative of the Union shall meet within five (5) calendar days of the receipt of the list and shall alternatively strike two (2) names from the list, the party to strike first to be selected by lot. The fifth remaining person shall thereupon be selected as the impartial arbitrator.

SECTION B. During the hearing, each party shall have full opportunity to present evidence and argument, both oral and documentary. The impartial arbitrator will render his finding and award in writing within thirty (30) calendar days after the conclusion of the hearing. The decision of the impartial arbitrator shall be final and binding. The impartial arbitrator shall have no authority to modify, amend, revise, add to or subtract from any of the terms or conditions of the Agreement.

SECTION C. The fees of the arbitrator and necessary expenses, including transcript, if desirable, of any arbitration proceeding shall be borne equally by the Company and the Union except that each party shall pay the fees of its own counsel or representative. If an employee witness is called by the Company, the Company will reimburse him for time lost at his regular straight time base rate. If an employee witness is called by the Union or if an employee grievant is present at the hearing, the Union will reimburse such personnel for time lost.

ARTICLE X - MILITARY LEAVE

SECTION A. Employees entering the Military or Naval service, Red Cross, or other combat relief service or conscripted civil service of the United States during the life of this Agreement will be placed on military leave of absence in accordance with the provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and will retain seniority while in such service and be returned to their former position upon honorable discharge from service, provided they are physically and mentally capable of working.

SECTION B. An employee who is a member of a Military Reserve Unit and who is required to participate in active training will be granted a leave of absence without pay for the period of such training duty, not to exceed thirty (30) days in any year.

SECTION C. An employee applying for leave under this Article will give the Company a ten (10) working days' notice prior to his reporting date, if possible.

ARTICLE XI-LEAVE OF ABSENCE

SECTION A. After one (1) year service, employees may be granted leaves of absence not exceeding one (1) year. Such leave of absence may be granted for restoration of health, medical, dental or other treatment, maternity leave, or employment by the Union and shall not prejudice seniority status for the purpose of layoffs and recalls.

SECTION B. A leave of absence under this Article will not be considered employment time for seniority. For example, an employee works continuously for one (1) year and is granted a thirty (30) day leave of absence without pay. When the employee returns to work he has one (1) year seniority.

SECTION C. Upon return from a leave of absence, the employee will be returned to work for which he can qualify in his job classification on the basis of seniority.

SECTION D. Any employee who engages in gainful employment without permission of the Company while on leave of absence shall be subject to discharge.

SECTION E. All leaves of absence must be applied for in writing and if granted in writing by the Company.

SECTION F. All leaves of absence shall be for a specific designated period of time, and an employee may return to work earlier than the specifically designated date for his return only with the consent of the Company.

ARTICLE XII - SHOP STEWARDS

SECTION A. Shop stewards shall be designated by the Union from the group he or she represents and the Union will notify the Company in writing of the duly designated shop steward at the Base with a copy of said notification to be sent to the Company's home office.

SECTION B. The shop steward shall not interfere with the management of the business or direct any work of any employee, but may advise the Company of any violations of the Agreement and also notify the employee participating therein.

SECTION C. Prior to leaving the work area, the shop steward will request permission from the supervisor which shall not be unreasonably denied. The shop steward will not leave the work area during rush hours.

SECTION D. Shop stewards shall be entitled to top seniority at the facility to the fullest extent of allowed by law.

SECTION E. A telephone will be made available to the shop steward for the purpose of communicating with the Union. Such calls will be placed at no cost to the Company.

ARTICLE XIII - REST PERIODS

An employee who is scheduled to work for not less than four (4) continuous hours on a shift shall be entitled to one ten (10) minute unscheduled rest period during such shift, with, permission from their immediate supervisor. The rest period shall not be taken at the beginning or end of the employee's shift, nor shall it be a continuation of the employee's lunch period. The rest period shall be taken as near as possible to the middle of each work period that exceeds four (4) hours, but shall not be taken during rush hours, for each additional four (4) hours an employee is scheduled work, they shall be entitled to one ten (10) minute unscheduled rest period during such period of time. In no event shall any employee be entitled to more than two (2) ten (10) minute rest periods per eight (8) hour day.

ARTICLE XIV - LAYOFFS AND RECALLS

In the event of a reduction of forces, the Company will give reasonable notice of layoff, under the circumstances, to the employees with the least seniority and will recall employees in the reverse order, such seniority to be by job classification. No new employees will be hired until all qualified laid off employees have been recalled.

ARTICLE XV - WAGES

SECTION A. The schedule of effective wage rates and job classifications for employees is set forth in the applicable Addendum.

SECTION B. Employees will be paid on the fifteenth (15th) and the twenty-seventh (27th), and if either day falls on a holiday or a weekend, the following business day will be the pay day.

ARTICLE XVI - OVERTIME

SECTION A. This Article is intended to define the payroll week and to provide a basis for computing overtime. This Article shall not be construed as a guarantee or a limitation on the hours of work per day or per week or as limiting the right of the Company to establish and change the number of hours of work per day or per week.

SECTION B. An employee's "payroll day" shall consist of a 24-hour period beginning with the employee's scheduled starting time. An employee's "payroll week" is defined as seven (7) consecutive payroll days beginning Monday 00:01 A.M. and ending Sunday 11:59 P.M.

SECTION C. When the Company determines that work must be done on overtime, it will be authorized in advance by a supervisor. The Company will give as much notice of overtime as practicable. Overtime work will be distributed among the employees qualified to perform the work necessitating overtime as equitable as practicable.

SECTION D. Employees shall be paid for overtime hours worked as follows: All work performed by an employee in excess of forty (40) hours in his payroll week shall be considered overtime and will be paid for at one and one half (1½) times the employee's regular rate. Work in excess of (i.e. holiday pay, vacation pay) 16 hours in any calendar day will be paid at one and one half (1½) times the employee's regular rate. Time paid but not actually worked shall not be considered as time worked for the purpose of calculating weekly overtime.

SECTION E. There shall be no duplication or pyramiding of overtime.

SECTION F. An employee whose overtime work period continues into his following day will continue to receive overtime rates for all overtime so worked. If such overtime work period continues so that its termination falls within eight (8) hours prior to his resumption of work in the succeeding work day, he will receive one and one half (1½) times his hourly rate of pay for time worked during his next regular work shift. The Company may however, direct an

employee to report for work after receiving eight (8) hours rest, and if such rest period extends into the employee's regular shift hours, he will receive no loss in his straight time base rate of pay.

SECTION G. When an employee works beyond his regular shift, he will be entitled to a ten (10) minute rest period at the completion of his regular shift, and another such rest period at the completion of the tenth (10th) consecutive hour if he is required to work beyond ten (10) hours. On the same basis, similar rest periods will be provided after each additional two (2) hours worked. Such periods will be scheduled as near to the appointed time as practicable, subject to requirements of the service

ARTICLE XVII-HEALTH AND WELFARE

The Company shall pay the Health and Welfare benefits as set forth in the attached Addendum.

ARTICLE XVIII - VACATIONS

SECTION A. Employees shall be entitled to paid vacations as set forth in the attached Addendum.

SECTION B. Vacations will not be accumulated from year to year, and may not be taken back to back. If the Company consents, the employee may elect not to take his vacation, in which case he will receive pay in lieu thereof on the anniversary date of his employment. The employee may take his vacation in more than one segment with the consent of the Company.

SECTION C. An employee will receive an extra day's vacation or be paid an extra day's pay for a paid holiday which falls within his vacation period, in accordance with the provisions of Article XIX - Holidays.

SECTION D. Vacations will be granted at times most desired by employees in order of their seniority within their work shifts, but the final right as to allotment and scheduling of vacation periods is reserved to the Company in order to assure the orderly operation of its business. Except in cases of emergency, a vacation period once assigned will not be canceled by the Company except with the sufficient advance notification.

SECTION E. Temporary layoffs or leaves of absence during the year will not interrupt the continuity of service for the purpose of eligibility for vacation. Such layoffs or leaves of absence shall however, be counted toward the required year for each vacation period.

ARTICLE XIX - HOLIDAYS

SECTION A. Holidays for which every employee will be compensated at the hourly base rate of pay are set forth in the attached Addendum. In computing the number of hours for which an employee is entitled to compensation, the proportion which the average number of

hours worked by an employee during the preceding normal work week bears to forty (40) hours shall be applied to eight (8) hours to determine the number of paid hours said employee is entitled to receive. For example, if an employee worked thirty (30) hours during the normal work week preceding the holiday week, his holiday pay would be computed by taking 30/40 of eight (8) hours and multiplying the resulting six (6) hours by his hourly base rate of pay. The term "normal work week" as used in this Section, shall refer to the week prior and closest to the week during which the holiday occurs.

SECTION B. Any work performed on a holiday will be paid at the employee's regular rate of pay in addition to the holiday pay. If any of the named holidays fall on a non working day, the employee shall either observe the holiday on the following working day or shall receive pay for their normal compensation for work performed.

SECTION C. In the event that one of the holidays shall occur during the employee's vacation, the employee will receive an additional day of paid vacation, unless the employee and the Company agree in writing that he may receive pay in lieu thereof.

SECTION D. When the Company requires work on any shift on a holiday, the Company will first seek qualified volunteers for such work. If there are not enough volunteers for such work, the Company shall select qualified employees in reverse seniority to protect the work to be performed. However, if too many employees volunteer, the Company shall select qualified employees in order to perform the work.

SECTION E. In order for the employee to qualify for a paid holiday, he must have worked his regularly scheduled workday immediately preceding the holiday and his regularly scheduled workday immediately following the holiday.

ARTICLE XX - SICK LEAVE

All employees of the Company shall be entitled to paid sick leave as set forth in attached Addendum.

ARTICLE XXI - BEREAVEMENT LEAVE

All employees shall be entitled to paid bereavement leave as set forth in attached Addendum.

ARTICLE XXII - JURY DUTY

All employees shall be entitled to paid jury duty compensation as set forth in the attached Addendum.

ARTICLE XXIII - PENSION

The Company shall pay pension as set forth in the attached Addendum.

ARTICLE XXIV - INDIVIDUAL CONTRACTS

No employee shall be compelled or allowed to enter into any individual contract or agreement with the Company concerning the conditions of employment contained herein.

ARTICLE XXV - NO STRIKE - NO LOCKOUT

SECTION A. During the term of this Agreement, the Union shall not authorize, cause, engage in, sanction, or assist in any work stoppage, strike or slow down of operation.

SECTION B. During the term of this Agreement, the Company shall not cause, permit or engage in any lockout of its employees.

SECTION C. The Company reserves the right to discharge or otherwise discipline any employee taking part in any violation of this provision of the Agreement.

ARTICLE XXVI - EMPLOYEE INJURY

An employee injured during working hours shall receive the rest of the day off without loss of pay, provided that the injuries are such that a doctor orders the employee not to return to work. Such time off shall not be charged against the employee's accumulated sick leave. Injuries that occurs during working hours will be reported immediately to the building supervisor.

ARTICLE XXVII - GOVERNMENT REQUIREMENTS

The Union agrees to cooperate with the Company in all matters required by the United States Government, and the Union recognizes that the conditions of the Agreement are subject to certain sovereign priorities which the United States Government may exercise. The Union agrees that any actions taken by the Company pursuant to a requirement of the United States Government shall not constitute a breach of this Agreement. Nothing in this Agreement shall be construed to prevent the Company from unilaterally changing any term and condition of employment established by this contract or otherwise where immediate change is required by the United States Government. The Company will however negotiate with the Union concerning the effects of any such change.

ARTICLE XXVIII- GENERAL

SECTION A. This Agreement, when accepted by the parties hereto and signed by the respective representatives thereunto duly authorized, shall constitute the sole Agreement between them involving the employees covered by this Agreement. Any alteration or modification of this Agreement must be made by and between the parties hereto and must be in writing.

SECTION B. In the event any provision of this Agreement is declared invalid by any competent court or governmental agency on account of existing or future legislation, such invalidation shall not effect the remaining provisions of this Agreement and Addendum.

SECTION C. Any employee leaving the service of the Company will, upon request from the employee, be furnished with a letter setting forth the Company's record of his job classification, stating his length of service and beginning and ending rate of pay.

SECTION D. Employees entering the service of the Company must be required to take a physical examination specified by the Company. Any time thereafter, an employee may be subjected to further physical examination during the course of his employment or recall to service after layoff or leave of absence.

SECTION E. The Company shall provide bulletin board space at each facility for use by the Union.

SECTION F. Company payroll records with respect to any employee in the unit whose pay is questioned will be provided upon request of the Union within a reasonable period of time, except for payroll records with respect to the current period with respect to such employee, which may be examined by the Union upon request during business hours.

ARTICLE XXIX - MANAGEMENT RIGHTS

SECTION A. Except to the extent explicitly and expressly abridged by a written provision of this Contract, the Company reserves and retains, solely and exclusively, all its common-law right to control, manage and operate the business, as such rights existed prior to the Union becoming the representative of the employees in the bargaining unit. Neither the failure of the Company to exercise any power, function, authority or right in a particular way, shall be deemed a waiver by the Company to exercise such power, function, authority or right, or to preclude the Company from exercising the same in some other way not in conflict with the written provisions of this Contract.

SECTION B. Illustrative, but by no means inclusive, of the rights retained by the Company to determine and exercise, the following rights: The full control, management and operation of its business and its plant; the right to establish practices and procedures for the conduct of the business, the determination and scope of its activities, its customers, the products to be sold, processed or manufactured, and the method pertaining thereto; the scheduling of the operations and work hours, days and shifts of operation, including overtime; the location, size and number of all plant departments or manufacturing facilities; the determination of size and character of inventory; the determination of financial policy, including accounting procedure prices of goods sold and customer relations; the determination of materials, parts, products, services, machinery and equipment to be acquired, utilized or discontinued; the layout and scheduling thereof; the determination of quality and production standards; the right to introduce new, improved or different production, maintenance, distribution procedures, methods, processes, facilities, machinery, services and equipment, or to make other changes to promote efficiency, or to make technological changes; the right to maintain order, discipline, efficiency and safety and enforce rules and regulations pertaining thereto; the right to determine the amount of work needed; the right to layoff, promote or transfer employees (temporarily or permanently);

the right to discipline, suspend, demote or terminate employees for just cause; the right to determine the number of employees in any department, classifications or division thereof, the assignment of duties thereto, the hours to be worked in any day, week or shift, the manning of equipment, and the right to change, increase or reduce same; the right to require employees, upon just cause, to take physical examinations or drug/alcohol tests as required by federal regulation by a physician or laboratory designated by the Company, and to rely on such tests and examinations to determine the capacity to perform assigned tasks. The right to direct and control the work forces, including, but by no means limited to, being the sole judge of applicants for employment, their qualifications, fitness in hiring or transfer or refusal to hire; the determination as to where or when training on a particular operation or job is required, how much training is required, and the right to retain employees.

SECTION C. Any dispute as to whether any matter is governed by this Management Rights Article shall be subject to the grievance and arbitration procedure of this Agreement.

ARTICLE XXX - DURATION

SECTION A. This Agreement shall become effective October 1, 2000 and shall continue in full force and effect through September 30, 2001, and shall renew itself each successive year thereafter unless written notice of an intended change is served in accordance with the Labor Management Relations Act, as amended, by either party hereto at least sixty (60) days but not more than ninety (90) days prior to the termination date of the Contract.

SECTION B. For the purpose of negotiating changes in wages, group insurance contributions, sick leave, vacation and holidays, as well as changes in or the introduction of new fringe benefits program, the parties shall meet on or about May 1st of each contract year. If the parties are unable to reach agreement by August 1st of each year either party may terminate this Agreement upon ten (10) days written notice to the other party.

IN WITNESS WHEREOF, the parties hereto executed this Agreement this 1 day of December, 2000.

INDUSTRIAL, TECHNICAL, AND
PROFESSIONAL EMPLOYEES
UNION, AFL-CIO.


PAUL HARVEY
ITPEU REPRESENTATIVE

M.C.S. MANAGEMENT, INC.


DANIEL V. MOORE, PRESIDENT

ATTACHMENT VII-3
COLLECTIVE BARGAINING AGREEMENT

BETWEEN

MOORE CAFETERIA SERVICES INC.

AND

**UNITED INDUSTRIAL, SERVICE, TRANSPORTATION, PROFESSIONAL AND
GOVERNMENT WORKERS OF NORTH AMERICA**

AT

MCB CAMP PENDLETON,CA

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**Addendum to Collective Bargaining Agreement
between**

MCS Management, Inc.

and

**United Industrial, Service, Transportation, Professional and
Government Workers of North America of the Seafarers
International Union of North America, Atlantic, Gulf, Lakes and
Inland Waters District, AFL-CIO
at Camp Pendleton**

Effective October 1, 2001 through September 30, 2002

**APPENDIX A
WAGES**

Effective October 1, 2001

Mess Attendant/Headcount/Cashier \$9.27 per hour

**APPENDIX B
TRAVEL ALLOWANCE**

Effective October 1, 2001

All employees assigned to Mess Hall Area 52 shall receive a distance allowance of ninety cents (\$0.90) per hour for all hours worked in addition to their regular rate of pay. This is not to be considered or construed as payment for travel to or from work.

**APPENDIX C
HEALTH AND WELFARE**

Effective October 1, 2001

Health and Welfare contributions shall be paid on all employees who work a minimum of twenty (20) hours per month. Contributions shall be paid for all straight time hours actually worked, but shall not exceed forty (40) hours in any one week. Said payments shall be made to cover

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continually premium costs to provide health insurance, and the payments per hour shall be as follows:

The Company shall pay One Dollar and Eighty-Two Cents (\$1.82) per hour for health and welfare benefits.

APPENDIX D PENSION

Effective October 1, 2001.

Pension contributions shall be paid for all straight time hours actually worked, not to exceed forty (40) hours per week, said payments being as follows:

The Company shall contribute Fifty Cents (\$0.50) per hour to Pension Fund.

APPENDIX E VACATIONS

Effective October 1, 2001.

After one (1) year of continuous service with the incumbent contractor or successor and each anniversary date thereafter, one hour for every twenty-six (26) hours worked.

After four (4) years of continuous service with the incumbent contractor or successor and each anniversary date thereafter, one hour for every seventeen (17) hours worked.

After fifteen (15) years of continuous service with the incumbent contractor or successor and each anniversary date thereafter, one hour for every thirteen (13) hours worked.

APPENDIX F HOLIDAYS

Effective October 1, 2001.

- | | |
|---------------------------------------|---------------------|
| 1. New Year's Day | 6. Labor Day |
| 2. Martin Luther King, Jr.'s Birthday | 7. Columbus Day |
| 3. Washington's Birthday | 8. Veterans' Day |
| 4. Memorial Day | 9. Thanksgiving Day |
| 5. Independence Day | 10. Christmas Day |

APPENDIX G

SICK LEAVE

Effective October 1, 2001. Sick leave will be computed on the basis of one hour of paid sick leave for each 52 hours worked, not to exceed five (5) days annually. The hours earned shall be computed on the basis of the completion of 416 hours worked beginning with the advent of each employee's anniversary date. Sick leave may not be accumulated from year to year. All unused sick leave benefits shall be paid in cash at the completion of each employee's anniversary date.

After the beginning of each new employee year, no sick leave will be paid until the completion of each 416 hours work segment which equals eight (8) hours of accrual pay. No accrued sick leave will be paid to any individual who is terminated or resigns prior to completion of such full 416 hours work segment. Any employee who resigns will be required to notify the Company in writing at least two weeks prior to the employee's last day of work in order to be eligible to collect the unused prorated amount of sick leave. An employee applying for sick leave benefits may be required to submit a doctor's certificate from a licensed medical physician.

APPENDIX H

BEREAVEMENT LEAVE

Effective October 1, 2001. Employees will be allowed three (3) days of paid bereavement leave computed on the basis of their average weekly straight time hours of work for the preceding four (4) weeks in connection with the death of a member of the employee's immediate family (spouse, children, parents, mother-in-law, father-in-law, siblings, grandparents and grandchildren).

APPENDIX I

JURY DUTY

Effective October 1, 2001. The Company will compensate employees called for jury duty the difference between their jury pay and their regular straight-time pay if such jury service falls on the employee's regularly scheduled work day(s), up to a maximum of ten (10) days. The amount owed to an employee will be based on the employee's hours worked during the preceding week.

Employees will be required to produce their jury pay receipt in order to receive compensation as set forth above. Upon return from jury duty, an employee will be reinstated to his/her former or equivalent position of employment.

If an employee is released from jury duty prior to the end of his/her scheduled work shift, the employee must call the personnel office or supervisor to determine whether or not to return to work for the remainder of his/her shift.

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APPENDIX I

DISCHARGE & DISCIPLINE

In the interest of maintaining order and efficiency, employees are expected to observe Company rules and regulations. Disciplinary action, up to and including discharge, may be imposed for the offenses or violations described below. In making its decision as to whether an employee should be disciplined for violation of Company rules and regulations, and in determining the extent of such discipline, the Company will take into consideration all of the circumstances involved, and may take into consideration as well the employee's record with the Company.

Class A Offenses. The following offenses may result in immediate discharge upon commission of the first offense:

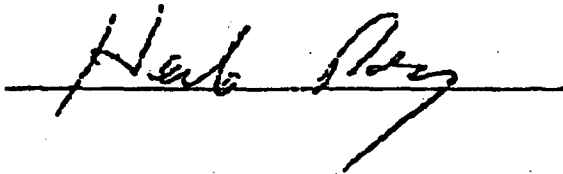
1. Theft or unauthorized use of Company or Government property.
2. Eating Government food without paying for it.
3. Unlawful possession of alcohol, illegal drugs or substances on the job site.
4. Intoxication or drinking on the job.
5. Use of illegal drugs or substances.
6. Unauthorized possession of weapons on the job site.
7. Fighting or physical violence, or threat of physical violence to any person on the job site.
8. Refusal to perform assigned work.
9. Willful damage to Company or Government property.
10. Falsification of, or misrepresentations on, Company records, including, but not limited to, employment application, time cards, or work records.
11. Sexual harassment toward fellow employees, or use of offensive or abusive language or conduct, including, but not limited to, racial or ethnic slurs.
12. Rudeness or disrespect to supervisors or military personnel.
13. Conduct seriously reflecting adversely on the Company.
14. Absence of two consecutive days without notification, or without reason acceptable to the Company.
15. Hooliganism or disorderly conduct.

16. Other offenses of a serious nature warranting termination, with agreement of the Union.

Class B Offenses. The following offenses warrant the imposition of disciplinary action, including written warnings and/or suspension, depending on the circumstances and severity of the offense. In general, the commission of three Class B Offenses within a 12-month period will result in termination of employment.

1. Habitual or excessive tardiness.
2. Unsatisfactory attendance. (Two (2) or more unauthorized or unexcused absences in a one (1) month period; or excessive absences regardless of the reason (excluding FMLA, workers' compensation, vacation, and authorized leaves of absence) that affect an employee's being available to perform his or her job.)
3. Failure to follow instructions.
4. Unsatisfactory performance of duties.
5. The use of Company time for other than Company business without prior approval.
6. Interference or non-cooperation with co-workers or supervisors.
7. Leaving assigned work area without permission of supervisor, except during authorized lunch periods or break periods.
8. Failure to comply with other reasonable Company work rules or policies that do not conflict with other provisions of this Agreement.

FOR THE UNION: United Industrial, Service, Transportation, Professional and Government Workers of North America of the Seafarers International Union of North America, Atlantic, Gulf, Lakes and Inland Waters District, AFL-CIO



Date: September 1, 2001

FOR THE COMPANY: M.C.S. Management, Inc.


 Dan Mocro, President

Date: September 1, 2001

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FAX NO. 7607258445

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MEMORANDUM OF UNDERSTANDING

The United Industrial, Service, Transportation, Professional and Government Workers of North America (hereinafter "Union") and Moore's Cafeteria Service (hereinafter "Company") are parties to a Collective Bargaining Agreement (hereinafter "CBA") that governs wages, hours, benefits and working conditions for the Company's food service employees located at Area 52 Building #520430, Camp Pendleton Marine Corps base, Oceanside, California. The CBA is in effect from October 1, 2001 through September 30, 2002.

Appendix "F," which states that the Company shall contribute fifty cents (\$0.50) per hour to the Pension Fund, refers to the United Industrial Workers of North America Pension Plan (hereinafter "Plan"). Payments will be remitted monthly to the Plan's billing office, and are due no later than two weeks after the end of the previous month's payday. Payments shall be remitted to the Plan's billing office, which is entitled "Manpower Monitoring Office," and is located at 5201 Auth Way, Camp Springs, MD 20746. Payments are to be accompanied by a list showing the names and Social Security numbers for each employee, and the number of hours worked.

DATED: 9/27/01

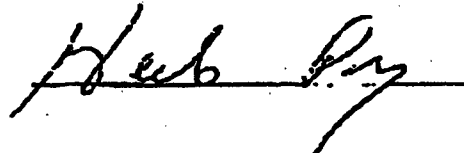
FOR THE COMPANY:

MOORE'S CAFETERIA SERVICE

By: 

FOR THE UNION:

UNITED INDUSTRIAL,
SERVICE, TRANSPORTATION,
PROFESSIONAL AND GOVERNMENT
WORKERS OF NORTH AMERICA

By: 

copy

PREAMBLE

THIS AGREEMENT is entered into by and between M.C.S. MANAGEMENT, INC. (hereinafter referred to as the "COMPANY") and UNITED INDUSTRIAL, SERVICE, TRANSPORTATION, PROFESSIONAL AND GOVERNMENT WORKERS OF NORTH AMERICA OF THE SEAFARERS INTERNATIONAL UNION OF NORTH AMERICA, ATLANTIC, GULF, LAKES AND INLAND WATERS DISTRICT, AFL-CIO, (hereinafter referred to as the "UNION"), as representatives of all its non-supervisory employees, in the mutual interests of the employees and the Company to promote and further the efficiency and economy of operations, and to provide orderly Collective Bargaining Relations, a method for the prompt and equitable disposition of grievances, and a method for the establishment of fair wages, hours, and working conditions for the employees covered hereunder. In making this Agreement it is recognized to be the duty of the parties to cooperate fully with each other, both individually and collectively, for the advancement of the purposes of this Agreement.

ARTICLE I - UNION RECOGNITION

SECTION A. The Company hereby recognizes the Union as the sole bargaining agent for all of its employees identified in the Addendum. Supervisory employees, as defined by the National Labor Relations Act, and clerical employees are excluded from this Agreement.

SECTION B. Whenever the words "employee or employees" are used in this Agreement, they designate only such employees as are covered by this Agreement. Whenever in this Agreement employees or jobs are referred to in the male gender, it will be recognized as referring to both male and female employees.

SECTION C. It is understood by this Section that the parties hereto shall not use any leasing or subcontracting device to evade the terms of this Agreement. The Company shall give a copy of this Agreement and any Addendum hereto to the Contracting Officer at every Base where this Agreement is applicable.

ARTICLE II - UNION SECURITY AND MEMBERSHIP

SECTION A. It shall be a condition of continued employment that all employees of the Company covered by this Agreement, who are members of the Union in good standing on the effective date of this Agreement, shall remain in good standing or pay an agency fee. Employees who are not members on the effective date of this Agreement shall, on the 31st day following the effective date of this Agreement, become and remain members in good standing or pay an agency fee. It shall be a condition of continued employment that all employees of the Company covered by this Agreement and hired on or after its effective date or execution date, whichever comes later, shall, on the 31st day following the beginning of such employment, become and remain members in good standing or pay an agency fee.

SECTION B. Union Shop provision to take effect if Prohibition Law is invalidated.

The provisions of Article II, Section A, shall be deemed to be of no force and effect in any state whose law governs this contract to the extent to which the making or enforcement of such provisions is contrary to statutes, constitutional amendment or the law of the state, provided however, that whenever any such court of last resort having jurisdiction of such questions finds the state law to be invalid or inapplicable, the provisions of Section A above shall immediately thereupon be deemed to cover this bargaining unit or employees directly affected by such declaration or invalidity.

SECTION C. If the provisions of Article II, Section A, shall be deemed to be of no force and effect, then the following shall govern: employees who are members of the Union on the date of execution hereof, shall maintain their membership in the Union as a condition of employment during the term hereof.

SECTION D. The Company will deduct from the wages of any employee covered by this Agreement: said employee's dues, as a member of the Union, upon receiving the employee's voluntary and individual written authorization for the Company to make such deductions, signed by the employee. Such authorization form shall be provided by the Union. The Company will pay over to the proper officer of the Union the wages withheld for such initiation fees and dues. The remittances shall be accompanied by a list showing individual names, social security numbers, and amounts deducted. The total remittances are to be made no later than forty five (45) days after deduction. The Union shall advise the Company of the amount of dues and the manner in which same shall be deducted. The amount so withheld, less any amounts due to any improper withholding shall be reported and paid to the Union monthly.

SECTION E. Payment for employees' Union membership dues shall not be required as a condition of employment during leaves of absence without pay in excess of thirty (30) days or during periods of permanent transfer to a classification not covered by this Agreement.

SECTION F. In the event of termination of employment, there shall be no obligation upon the Company to collect dues until all other deductions have been made.

SECTION G. The Company will make available to the Union a list of newly hired and terminated employees covered by this Agreement. Such list will be prepared monthly and will show the name, social security number, address, job classification, and hire or termination date of such employees who are hired or terminated during the month for which the list is prepared. This selection is intended by the parties only to facilitate Union membership dues deductions and other Union representation matters, and shall not be deemed to limit, in any way, the Company's rights to hire and terminate employees.

SECTION H. The Company shall notify the Union of all job openings within the bargaining unit covered by this Agreement. The Union may refer applicants for such openings. In interviewing and hiring for such job openings, the Company will not discriminate against any applicant referred by the Union. Nothing in this contract, however, shall be construed to create

an exclusive hiring hall arrangement, and the Company shall at all times be free to advertise and list said job openings from any source available to the Company.

SECTION I. The Company shall be the sole judge of the qualifications of its employees, but shall give full consideration, without prejudice, to the members of the Union, provided they have the necessary qualifications. The Company's decision to hire applicants and not to hire applicants shall not be subject to the grievance or arbitration procedures of this contract.

SECTION J. The Union agrees to indemnify and save the Company harmless against any claim, suits, judgments or liabilities of any sort whatsoever arising out of the Company's compliance with the provisions of this Union Security and Membership Article.

ARTICLE III - EQUAL OPPORTUNITY

SECTION A. In accordance with established policy of the Company and the Union, the provisions of the Agreement will apply equally to all employees hereunder regardless of sex, color, religion, age, race, creed, national origin, disability, or veteran status. The Company and the Union also recognize the desirability of implementing the National Policy, providing equal opportunity to all persons and agrees to work actively toward the implementation of that policy.

SECTION B. There will be no discrimination against any employee on account of membership in, or activity on behalf of the Union.

ARTICLE IV - ACCESS TO UNIT

Duly authorized representatives of the Union shall be permitted to investigate the standing of all employees and investigate conditions to see that the Agreement is being enforced, provided that no interview shall be held while employees are on the clock or that will unreasonably interrupt the duties of any employee. The Company shall be notified by the Union Representative before he/she shall take action with the person involved. The representative of the Union shall contact the highest ranking Company representative then present at the facility and inform him/her of the circumstances. The Company and the Union representatives shall conduct themselves in such a manner as to carry out the intent and spirit of this Article.

ARTICLE V - PROBATIONARY PERIOD

SECTION A. Every new or rehired employee shall be on probation for the first ninety (90) days of employment or re-employment.

SECTION B. At any time during the probationary period, an employee may be discharge for any reason. Any such employee so discharged shall not have the right to file a grievance or have other recourse to grievance procedure.

ARTICLE VI - SENIORITY

SECTION A. It is agreed that the Company and the Union will meet for the purpose of establishing a seniority list for all employees employed in the unit at the time of the signing of the Agreement. Said seniority list will be based upon official records of the Union, of the Company, its predecessors, and state and federal agencies. Not later than fifteen (15) days prior to the expiration of the Company's contract covering the base, the Company shall furnish the Union and the successor contractor a list of all its current employees together with their dates of hire and the dates their last vacation was paid by the Company. The following Sections in this Article shall become applicable and shall be in full force and effect upon the establishment of the seniority list. In establishing the initial seniority list for employees at the time of the signing of this Agreement, employees transferred to the Base covered by this Agreement shall receive seniority in accordance with their tenure of service with the Company or its franchise as the case may be, regardless of where such service was performed. Other employees transferred to the Base covered by this Agreement by the Company to fill vacancies shall likewise receive seniority in accordance with their tenure with the Company or its franchise, as the case may be, regardless of where such service was performed. Seniority shall, for all purposes of this Article, be on the basis of job classification.

SECTION B. In the event that the Company finds it necessary to layoff employees for any reason, other than disciplinary, such layoffs shall be on the basis of seniority, i.e., the employee on duty in the establishment where the layoff occurs having the shorter period of continuous service shall be laid off before any other employee having a longer period of continuous service. The Company shall recall such employees in the reverse order. Senior employees may, however, exercise their seniority rights by taking a job in a lower classification at the corresponding lower rate of pay.

SECTION C. Except as otherwise provided in Section A of this Article, seniority shall be measured from the date of the employee's initial hire at the Base with the Company or a predecessor employer engaged in providing similar services at the Base, provided there has been no break in the seniority under Section E of this Article.

Employees shall have the right to select available work by seniority for positions for which they are qualified. Each employee shall be given his work schedule as soon as practical after a schedule is published or revised.

SECTION D. An employee shall lose his seniority upon his retirement, resignation or discharge for just cause. An employee will be considered resigned if he:

1. Fails to report to work on the day following expiration of an authorized leave of absence, unless failure to report is due to conditions recognized by the Company to be beyond the control of the employee and he reported such conditions as soon as possible.
2. Is on layoff for a period exceeding one (1) year.

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3. Is absent from work for two (2) consecutive work days without properly notifying the Company of the reason for absence, unless absence is recognized as being beyond the control of the employee, or in any event, fails to report for work as scheduled without such reason.
 4. Fails, while on layoff, upon notice from the Company that work is available, to report to the company for work as soon as practicable, but not later than seven (7) calendar days after the Company gave notice and provided that the employee notifies the Company within three (3) days of such notice that he will return to work within the seven (7) period.

The Company fulfills its obligations under this Section by sending notice by telegram or by certified letter to the last known address of the employee. It is the obligation of the employee to keep the Company informed of his current address and telephone number.

SECTION E. An employee who has occupied a position with the Company covered by this Agreement and who accepts a position with the Company in a classification not covered by this Agreement, will continue to accrue seniority for nine (9) months, after which period he shall retain his accumulated seniority, provided he remains in the employ of the employer.

SECTION F. Any employee who comes in for a shift will be paid a minimum of two (2) hours per shift (show up time).

ARTICLE VII-DISCIPLINE AND DISCHARGE

SECTION A. No employee shall be discharged without just cause, and all dismissals will be subject to the grievance procedure and arbitration clause. All reprimands and discharge notices shall be in writing and shall be signed by the Project Manager.

Copies of the reprimand or discharge notice shall be given to the employee reprimanded and to the shop steward. Each reprimand shall be canceled after one (1) year. Grounds for disciplinary action are set forth in the Appendix to this Agreement.

ARTICLE VIII-GRIEVANCE PROCEDURE

SECTION A. A grievance is defined as a claim or dispute by the employer or employee or the Union concerning the interpretation or the application of this Agreement or any Addendum hereto.

SECTION B. All grievances must be presented in writing, filed and processed in accordance with the following exclusive procedure:

STEP 1. The employee who has a grievance shall discuss it with his direct supervisor either himself or through his steward. If the grievance is not settled at the Step 1 meeting, it may be appealed by the Union Representative to the Project Manager to

Step 2 within ten (10) days of the Step 1 meeting. Company grievance shall be processed beginning with Step 2.

STEP 2. The Union Representative and the Project Manager will discuss the grievance. If the grievance is not disposed of to the satisfaction of the party filing, the grievance may be appealed to Step 3 by the party or representatives of the party filing the grievance by filing a written appeal to the opposing party within ten (10) days after Step 2.

STEP 3. Within ten (10) days after the appeal of the opposing party, the parties (the Company represented by the Company President or designated official, the Union represented by an official designated by the Union President) will attempt to settle the grievance. The party being complained against shall render the parties decision within ten (10) of such meeting. If the grievance is not disposed of to the satisfaction of the complaining party, the grievance may be appealed to arbitration by the Company or the Union lodging a written appeal with the other party within ten (10) days of receipt of such written decision.

SECTION C. A grievance involving discharge of an employee shall be brought directly to Step 2 and must be filed in writing by the grievant with the Project Manager within five (5) days of discharge.

SECTION D. A grievance not involving discharge shall be without effect unless filed in writing within five (5) days from the date the complaining party discovered the facts or should have discovered the facts giving rise to the grievance.

SECTION E. Stewards shall be afforded time off without loss of pay to investigate, discuss and present grievances. Such time shall be kept to a minimum.

SECTION F. At any step of the grievance procedure, the Company or the Union may designate a substitute for the official designated herein, other than persons who have previously participated in such grievance. The officially designated representative of each party may be accompanied by two (2) other persons at any step of the procedure except Step 1. The parties may mutually agree that further representatives may be present.

SECTION G. The time limits set forth in this Article may be extended mutually in writing. Time limits are exclusive of Saturday, Sunday and recognized holidays.

ARTICLE IX - ARBITRATION

SECTION A. Within ten (10) calendar days after the filing of the notice of the intent to submit the unsettled grievance to arbitration, the parties shall attempt to mutually select an impartial arbitrator. If the parties are unable to agree within five (5) calendar days of the meeting upon the choice of an arbitrator, they shall request the Federal Mediation and Conciliation Service to submit a list of five (5) persons qualified to act as the impartial arbitrator. A representative of the Company and a representative of the Union shall meet within five (5)

calendar days of the receipt of the list and shall alternatively strike two (2) names from the list, the party to strike first to be selected by lot. The fifth remaining person shall thereupon be selected as the impartial arbitrator.

SECTION B. During the hearing, each party shall have full opportunity to present evidence and argument, both oral and documentary. The impartial arbitrator will render his finding and award in writing within thirty (30) calendar days after the conclusion of the hearing. The decision of the impartial arbitrator shall be final and binding. The impartial arbitrator shall have no authority to modify, amend, revise, add to or subtract from any of the terms or conditions of the Agreement.

SECTION C. The fees of the arbitrator and necessary expenses, including transcript, if desirable, of any arbitration proceeding shall be borne equally by the Company and the Union except that each party shall pay the fees of its own counsel or representative. If an employee witness is called by the Company, the Company will reimburse him for time lost at his regular straight time base rate. If an employee witness is called by the Union or if an employee grievant is present at the hearing, the Union will reimburse such personnel for time lost.

ARTICLE X - MILITARY LEAVE

SECTION A. Employees entering the Military or Naval service, Red Cross, or other combat relief service or conscripted civil service of the United States during the life of this Agreement will be placed on military leave of absence in accordance with the provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and will retain seniority while in such service and be returned to their former position upon honorable discharge from service, provided they are physically and mentally capable of working.

SECTION B. An employee who is a member of a Military Reserve Unit and who is required to participate in active training will be granted a leave of absence without pay for the period of such training duty, not to exceed thirty (30) days in any year.

SECTION C. An employee applying for leave under this Article will give the Company ten (10) working days' notice prior to his reporting date, if possible.

ARTICLE XI - LEAVE OF ABSENCE

SECTION A. After one (1) year service, employees may be granted unpaid leaves of absence not exceeding one (1) year. Such leave of absence may be granted for restoration of health, medical, dental or other treatment, maternity leave, or employment by the Union and shall not prejudice seniority status for the purpose of layoffs and recalls.

SECTION B. A leave of absence under this Article will not be considered employment time for seniority. For example, an employee works continuously for one (1) year and is granted a thirty (30) day leave of absence without pay. When the employee returns to work he has one (1) year seniority.

SECTION C. Upon return from a leave of absence, the employee will be returned to work for which he can qualify in his job classification on the basis of seniority.

SECTION D. Any employee who engages in gainful employment without permission of the Company while on leave of absence shall be subject to discharge.

SECTION E. All leaves of absence must be applied for in writing and if granted in writing by the Company.

SECTION F. All leaves of absence shall be for a specific designated period of time, and an employee may return to work earlier than the specifically designated date for his return only with the consent of the Company.

ARTICLE XII - SHOP STEWARDS

SECTION A. Shop stewards shall be designated by the Union from the group he or she represents and the Union will notify the Company in writing of the duly designated shop steward at the Base with a copy of said notification to be sent to the Company's home office.

SECTION B. The shop steward shall not interfere with the management of the business or direct any work of any employee, but may advise the Company of any violations of the Agreement and also notify the employee participating therein.

SECTION C. Prior to leaving the work area, the shop steward will request permission from the supervisor which shall not be unreasonably denied. The shop steward will not leave the work area during rush hours.

SECTION D. Shop stewards shall be entitled to top seniority at the facility to the fullest extent of allowed by law.

SECTION E. A telephone will be made available to the shop steward for the purpose of communicating with the Union. Such calls will be placed at no cost to the Company.

ARTICLE XIII - REST PERIODS

An employee who is scheduled to work for not less than four (4) continuous hours on a shift shall be entitled to one ten (10) minute unscheduled rest period during such shift, with permission from their immediate supervisor. The rest period shall not be taken at the beginning or end of the employee's shift, nor shall it be a continuation of the employee's lunch period. The rest period shall be taken as near as possible to the middle of each work period that exceeds four (4) hours, but shall not be taken during rush hours, for each additional four (4) hours an employee is scheduled work, they shall be entitled to one ten (10) minute unscheduled rest period during such period of time. In no event shall any employee be entitled to more than two (2) ten (10) minute rest periods per eight (8) hour day.

ARTICLE XIV - LAYOFFS AND RECALLS

In the event of a reduction of forces, the Company will give reasonable notice of layoff, under the circumstances, to the employees with the least seniority and will recall employees in the reverse order, such seniority to be by job classification. No new employees will be hired until all qualified laid off employees have been recalled.

ARTICLE XV - WAGES

SECTION A. The schedule of effective wage rates and job classifications for employees is set forth in the attached Addendum.

SECTION B. Employees will be paid on the fifteenth (15th) and the twenty-seventh (27th), and if either day falls on a holiday or a weekend, the following business day will be the pay day.

ARTICLE XVI - OVERTIME

SECTION A. This Article is intended to define the payroll week and to provide a basis for computing overtime. This Article shall not be construed as a guarantee or a limitation on the hours of work per day or per week or as limiting the right of the Company to establish and change the number of hours of work per day or per week.

SECTION B. An employee's 'payroll day' shall consist of a 24-hour period beginning with the employee's scheduled starting time. An employee's "payroll week" is defined as seven (7) consecutive payroll days beginning Monday 00:01 A.M. and ending Sunday 11:59 P.M.

SECTION C. When the Company determines that work must be done on overtime, it will be authorized in advance by a supervisor. The Company will give as much notice of overtime as practicable. Overtime work will be distributed among the employees qualified to perform the work necessitating overtime as equitable as practicable.

SECTION D. Employees shall be paid for overtime hours worked as follows: All work performed by an employee in excess of forty (40) hours in his payroll week shall be considered overtime and will be paid for at one and one half (1½) times the employee's regular rate. Work in excess of (i.e. holiday pay, vacation pay) 16 hours in any calendar day will be paid at one and one half (1½) times the employee's regular rate. Time paid but not actually worked shall not be considered as time worked for the purpose of calculating weekly overtime.

SECTION E. There shall be no duplication or pyramiding of overtime.

SECTION F. An employee whose overtime work period continues into his following day will continue to receive overtime rates for all overtime so worked. If such overtime work period continues so that its termination falls within eight (8) hours prior to his resumption of work in the succeeding work day, he will receive one and one half (1½) times his hourly rate of pay for time worked during his next regular work shift. The Company may however, direct at

employee to report for work after receiving eight (8) hours rest, and if such rest period extends into the employee's regular shift hours, he will receive no loss in his straight time base rate of pay.

SECTION G. When an employee works beyond his regular shift, he will be entitled to a ten (10) minute rest period at the completion of his regular shift, and another such rest period at the completion of the tenth (10th) consecutive hour if he is required to work beyond ten (10) hours. On the same basis, similar rest periods will be provided after each additional two (2) hours worked. Such periods will be scheduled as near to the appointed time as practicable, subject to requirements of the service.

ARTICLE XVII- HEALTH AND WELFARE

The Company shall pay the Health and Welfare benefits as set forth in the attached Addendum.

ARTICLE XVIII - VACATIONS

SECTION A. Employees shall be entitled to paid vacations as set forth in the attached Addendum.

SECTION B. Vacations will not be accumulated from year to year, and may not be taken back to back. If the Company consents, the employee may elect not to take his vacation, in which case he will receive pay in lieu thereof on the anniversary date of his employment. The employee may take his vacation in more than one segment with the consent of the Company.

SECTION C. An employee will receive an extra day's vacation or be paid an extra day's pay for a paid holiday which falls within his vacation period, in accordance with the provisions of Article XIX - Holidays.

SECTION D. Vacations will be granted at times most desired by employees in order of their seniority within their work shifts, but the final right as to allotment and scheduling of vacation periods is reserved to the Company in order to assure the orderly operation of its business. Except in cases of emergency, a vacation period once assigned will not be canceled by the Company except with the sufficient advance notification.

SECTION E. Temporary layoffs or leaves of absence during the year will not interrupt the continuity of service for the purpose of eligibility for vacation. Such layoffs or leaves of absence shall however, be counted toward the required year for each vacation period.

ARTICLE XIX - HOLIDAYS

SECTION A. Holidays for which every employee will be compensated at the hourly base rate of pay are set forth in the attached Addendum. In computing the number of hours for which an employee is entitled to compensation, the proportion which the average number of hours worked by an employee during the preceding normal work week bears to forty (40) hours

shall be applied to eight (8) hours to determine the number of paid hours said employee is entitled to receive. For example, if an employee worked thirty (30) hours during the normal work week preceding the holiday week, his holiday pay would be computed by taking 30/40 of eight (8) hours and multiplying the resulting six (6) hours by his hourly base rate of pay. The term "normal work week" as used in this Section, shall refer to the week prior and closest to the week during which the holiday occurs.

SECTION B. Any work performed on a holiday will be paid at the employee's regular rate of pay in addition to the holiday pay. If any of the named holidays fall on a non working day, the employee shall either observe the holiday on the following working day or shall receive pay for their normal compensation for work performed.

SECTION C. In the event that one of the holidays shall occur during the employee's vacation, the employee will receive an additional day of paid vacation, unless the employee and the Company agree in writing that he may receive pay in lieu thereof.

SECTION D. When the Company requires work on any shift on a holiday, the Company will first seek qualified volunteers for such work. If there are not enough volunteers for such work, the Company shall select qualified employees in reverse seniority to protect the work to be performed. However, if too many employees volunteer, the Company shall select qualified employees in order to perform the work.

SECTION E. In order for the employee to qualify for a paid holiday, he must have worked his regularly scheduled workday immediately preceding the holiday and his regularly scheduled workday immediately following the holiday.

ARTICLE XX - BEREAVEMENT LEAVE

All employees shall be entitled to paid bereavement leave as set forth in the attached Addendum.

ARTICLE XXI - JURY DUTY

All employees shall be entitled to paid jury duty compensation as set forth in the attached Addendum.

ARTICLE XXII - PENSION

The Company shall pay pension benefits as set forth in the attached Addendum.

ARTICLE XXIII - INDIVIDUAL CONTRACTS

No employee shall be compelled or allowed to enter into any individual contract or agreement with the Company concerning the conditions of employment contained herein.

ARTICLE XXIV - NO STRIKE - NO LOCKOUT

SECTION A. During the term of this Agreement, the Union shall not authorize, cause, engage in, sanction, or assist in any work stoppage, strike or slow down of operations.

SECTION B. During the term of this Agreement, the Company shall not cause, permit or engage in any lockout of its employees.

SECTION C. The Company reserves the right to discharge or otherwise discipline any employee taking part in any violation of this provision of the Agreement.

ARTICLE XXV - EMPLOYEE INJURY

An employee injured during working hours shall receive the rest of the day off without loss of pay, provided that the injuries are such that a doctor orders the employee not to return to work. Such time off shall not be charged against the employee's accumulated sick leave. Injuries that occurs during working hours will be reported immediately to the building supervisor.

ARTICLE XXVI - GOVERNMENT REQUIREMENTS

The Union agrees to cooperate with the Company in all matters required by the United States Government, and the Union recognizes that the conditions of the Agreement are subject to certain sovereign priorities which the United States Government may exercise. The Union agrees that any actions taken by the Company pursuant to a requirement of the United States Government shall not constitute a breach of this Agreement. Nothing in this Agreement shall be construed to prevent the Company from unilaterally changing any term and condition of employment established by this contract or otherwise where immediate change is required by the United States Government. The Company will however negotiate with the Union concerning the effects of any such change.

ARTICLE XXVII - GENERAL

SECTION A. This Agreement, when accepted by the parties hereto and signed by the respective representatives thereunto duly authorized, shall constitute the sole Agreement between them involving the employees covered by this Agreement. Any alteration or modification of this Agreement must be made by and between the parties hereto and must be in writing.

SECTION B. In the event any provision of this Agreement is declared invalid by any competent court or governmental agency or account of existing or future legislation, such invalidation shall not effect the remaining provisions of this Agreement and Addendum.

SECTION C. Any employee leaving the service of the Company will, upon request from the employer, be furnished with a letter setting forth the Company's record of his job classification, stating his length of service and beginning and ending rate of pay.

SECTION D. Employees entering the service of the Company must be required to take a physical examination specified by the Company. Any time thereafter, an employee may be subjected to further physical examination during the course of his employment or recall to service after layoff or leave of absence.

SECTION E. The Company shall provide bulletin board space at each facility for use by the Union.

SECTION F. Company payroll records with respect to any employee in the unit whose pay is questioned will be provided upon request of the Union within a reasonable period of time, except for payroll records with respect to the current period with respect to such employee, which may be examined by the Union upon request during business hours.

ARTICLE XXVIII - MANAGEMENT RIGHTS

SECTION A. Except to the extent explicitly and expressly abridged by a written provision of this Contract, the Company reserves and retains, solely and exclusively, all its common-law right to control, manage and operate the business, as such rights existed prior to the Union becoming the representative of the employees in the bargaining unit. Neither the failure of the Company to exercise any power, function, authority or right in a particular way, shall be deemed a waiver by the Company to exercise such power, function, authority or right, or to preclude the Company from exercising the same in some other way not in conflict with the written provisions of this Contract.

SECTION B. Illustrative, but by no means inclusive, of the rights retained by the Company to determine and exercise, the following rights: The full control, management and operation of its business and its plant; the right to establish practices and procedures for the conduct of the business, the determination and scope of its activities, its customers, the products to be sold, processed or manufactured, and the method pertaining thereto; the scheduling of the operations and work hours, days and shifts of operation, including overtime; the location, size and number of all plant departments or manufacturing facilities; the determination of size and character of inventory; the determination of financial policy, including accounting procedure prices of goods sold and customer relations; the determination of materials, parts, products, services, machinery and equipment to be acquired, utilized or discontinued; the layout and scheduling thereof; the determination of quality and production standards; the right to introduce new, improved or different production, maintenance, distribution procedures, methods, processes, facilities, machinery, services and equipment, or to make other changes to promote efficiency, or to make technological changes; the right to maintain order, discipline, efficiency and safety and enforce rules and regulations pertaining thereto; the right to determine the amount of work needed; the right to layoff, promote or transfer employees (temporarily or permanently); the right to discipline, suspend, demote or terminate employees for just cause; the right to determine the number of employees in any department, classifications or division thereof, the assignment of duties thereto, the hours to be worked in any day, week or shift, the manning of equipment, and the right to change, increase or reduce same; the right to require employees, upon just cause, to take physical examinations or drug/alcohol tests as required by Federal regulation by a physician or laboratory designated by the Company, and to rely on such tests and

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examinations to determine the capacity to perform assigned tasks. The right to direct and control the work forces, including, but by no means limited to, being the sole judge of applicants for employment; their qualifications, fitness in hiring or transfer or refusal to hire; the determination as to where or when training on a particular operation or job is required, how much training is required, and the right to retain employees.

SECTION C. Any dispute as to whether any matter is governed by this Management Rights Article shall be subject to the grievance and arbitration procedure of this Agreement.

ARTICLE XXIX - DURATION

SECTION A. This Agreement shall become effective October 1, 2001 and shall continue in full force and effect through September 30, 2002, and shall renew itself each successive year thereafter unless written notice of an intended change is served in accordance with the Labor Management Relations Act, as amended, by either party hereto at least sixty (60) days but not more than ninety (90) days prior to the termination date of the Contract.

SECTION B. For the purpose of negotiating changes in wages, group insurance contributions, sick leave, vacation and holidays, as well as changes in or the introduction of new fringe benefits program, the parties shall meet on or about May 1st of each contract year. If the parties are unable to reach agreement by August 1st of each year either party may terminate this Agreement upon ten (10) days written notice to the other party.

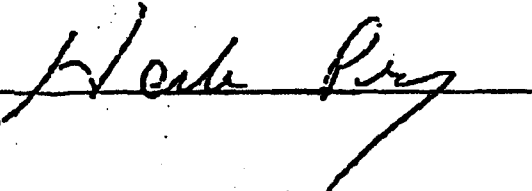
OCT-11-2001 THU 03:44 PM CONTRACTING DIV USMC

FAX NO. 7607258445

P. 05.

IN WITNESS WHEREOF, the parties hereto executed this Agreement: this 1st day of September, 2001.

UNITED INDUSTRIAL, SERVICE, TRANSPORTATION, PROFESSIONAL AND
GOVERNMENT WORKERS OF NORTH AMERICA OF THE SEAFARERS
INTERNATIONAL UNION OF NORTH AMERICA, ATLANTIC, GULF, LAKES AND
INLAND WATERS DISTRICT, AFL-CIO

By: 

MCS MANAGEMENT, INC.


By: Dan Moore, President

ATTACHMENT VII-4
COLLECTIVE BARGAINING AGREEMENT

BETWEEN

D.E.W. MANAGEMENT SERVICES, INC.

AND

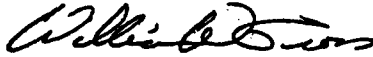
**AND INDUSTRIAL, TECHNICAL AND PROFESSIONAL EMPLOYEES UNION
(ITPEU)**

AT

MCAGCTC, TWENTYNINE PALMS, CA

**REGISTER OF WAGE DETERMINATIONS UNDER
THE SERVICE CONTRACT ACT**
By direction of the Secretary of Labor

**U.S. DEPARTMENT OF LABOR
EMPLOYMENT STANDARDS ADMINISTRATION
WAGE AND HOUR DIVISION
WASHINGTON, D.C. 20210**



William W. Gross
Director

**Division of
Wage Determinations**

**Wage Determination No.: 2000-0099
Revision No.: 3
Date of Last Revision: 10/02/2001**

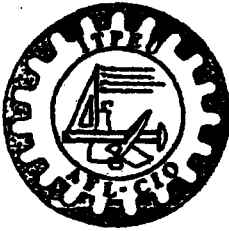
State: California

Area: California County of San Bernardino

Employed on U.S. Marine Corps contract for Mess Attendants and Cashiers only in buildings 1420 and 1610, and Mess Attendants and Full Food Service in buildings 1630 and 1650.

Collective Bargaining Agreement between D.E.W. Management Services, Inc., and Industrial, Technical And Professional Employees Union, (AFL-CIO) effective November 1, 1999 through October 31, 2002 and amended on August 23, 2001.

In accordance with Sections 2(a) and 4(c) of the Service Contract Act, as amended, employees employed by the contractor(s) in performing services covered by the Collective Bargaining Agreement(s) are to be paid wage rates and fringe benefits set forth in the current collective bargaining agreement and modified extension agreement(s).



ITPEU (AFL-CIO)

Affiliated with District No. 1 PCD-MEBA

ITPEU (AFL-CIO)

2222 Bull St., Suite 200, Savannah, GA 31401

P.O. Box 22699, Savannah, GA 31403

912-232-6181

Facsimile: 912-232-5982

DATE: August 23, 2001

BRANCH OFFICE: 10757 Lemon Avenue, #423

Alta Loma, CA 91737

TELEPHONE: (909) 466-5158

1. **CONTRACTOR:** D.E.W. Management Services, Inc.
2. **CONTRACT SITE:** Twenty-nine Palms Marine Corp Base
3. **STATE:** California **COUNTY:** San Bernardino **CITY:** Twenty-nine Palms
4. **TYPE OF SERVICE:** Food Service
5. **EFFECTIVE DATE OF C.B.A.:** November 01, 1999
6. **DATE FORWARDED TO CONTRACTING OFFICER:** August 23, 2001
7. **DATE FORWARDED TO WASHINGTON OFFICE:** August 23, 2001
8. **DATE DELIVERED TO D.O.L.:**
9. **CURRENT WAGE DETERMINATION NUMBER:**
10. **STANDARD FORM 98 NUMBER:**
11. **GOVERNMENT CONTRACT PERIOD:** 2001-2002
12. **EFFECTIVE DATE OF BENEFITS:** October 01, 2001
13. **REQUEST THAT U.S. DEPARTMENT OF LABOR WAGE AND HOUR DIVISION
REMIT A COPY OF THE APPROPRIATE WAGE DETERMINATION AND
STANDARD FORM 98 TO ITPEU (AFL-CIO), IN WASHINGTON DC.**
14. **ADDITIONAL COMMENTS:**

John Conley, President

Elwood Hampton, Vice President

John Brenton, III, Secretary/Treasurer

T.(Ruthie) Jones, Vice President

Mary Williams, Vice President

Memorandum of Agreement

Between

**Industrial, Technical And Professional Employees
Union, (AFL-CIO)**

And

D.E.W. Management Services, Inc.

Covering Food Service Employees

At

**MCAGCC, Twenty-Nine Palms, Buildings 1630 and 1650
Twenty-Nine Palms, California**

D.E.W. Management Services Inc.



Addendum

Whereas, D.E.W. Management Services, Inc., (hereinafter, the "Company") and Industrial, Technical Employees Union, AFL-CIO, (hereinafter, the "Union") have entered into an Agreement effective November 1, 2001 and

Whereas, the Union has been duly designated by the Company's non-supervisory employees at Twenty-Nine Palms Marine Corp Base (bld. 1630 and 1650), as their collective bargaining representative, and

Whereas, the aforementioned agreement provides for the Company and the Union to negotiate each year for changes in the Wages and Fringe Benefits for the above-named facility, and to enter into an Agreement setting forth those economic terms.

NOW THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

WAGES

Current:

Mess Attendant/ Food Sanitation Specialist	\$ 9.60
Cashier	\$ 9.60
Storeroom Keeper	\$ 9.75
McFimmis/Office Clerk	\$10.76
Shift Leader	\$10.76
Cook I	\$13.61
Baker Helper	\$13.61
Cook II	\$14.90
Baker	\$14.90

Effective October 1, 2001:

Mess Attendant/ Food Sanitation Specialist	\$ 9.80
Cashier	\$ 9.98
Storeroom Keeper	\$ 9.95
McFimmis/Office Clerk	\$10.96
Shift Leader	\$10.96
Cook I	\$13.81
Baker Helper	\$13.81
Cook II	\$15.10
Baker	\$15.10

D.E.W. Management Services Inc.
DeW

HEALTH AND WELFARE

Current:

The Company shall contribute to the ITPE Health and Welfare Plan the sum one dollar and ninety-two cents (\$1.92) per hour for all straight time hours worked plus all hours of paid vacation, holidays, and sick leave, for each and every employee covered by this Agreement.

In executing this agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE Health and Welfare Plan and any amendments duly adopted thereto.

The Company further agrees to be bound by all resolutions and other actions taken by the Board of Trustees of such plan.

Contributions For Family or Medical Leave. The Company shall contribute one dollar and ninety-two cents (\$1.92) per hour to the ITPE Health and Welfare Plan on behalf of any employee who is on a family or medical leave of absence under the federal Family and Medical Leave Act. In order to be eligible for such contributions, an employee must have worked for the Company or its Predecessor at the Base for a total of at least twelve (12) months and for at least 1,250 hours in the twelve (12) month period preceding the period of family or medical leave.

In no event shall contributions for family or medical leave exceed a period of twelve (12) weeks per employee in any calendar year. the hours of contributions for each week of family or medical leave shall be calculated by determining the average weekly hours worked by the employee during the twelve (12) week period preceding family or medical leave, including all hours during said period of paid vacation, holiday and or sick leave.

Effective October 1, 2001:

The Company shall contribute to the ITPE Health and Welfare Plan the sum two dollars and two cents (\$2.02) per hour for all straight time hours worked plus all hours of paid vacation, holidays, and sick leave, for each and every employee covered by this Agreement.

In executing this agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE Health and Welfare Plan and any amendments duly adopted thereto.

The Company further agrees to be bound by all resolutions and other actions taken by the Board of Trustees of such plan.

D.E.W. Management Services Inc.


Contributions For Family or Medical Leave. The Company shall contribute two dollars and two cents (\$2.02) per hour to the ITPE Health and Welfare Plan on behalf of any employee who is on a family or medical leave of absence under the federal Family and Medical Leave Act. In order to be eligible for such contributions, an employee must have worked for the Company or its Predecessor at the Base for a total of at least twelve (12) months and for at least 1,250 hours in the twelve (12) month period preceding the period of family or medical leave.

In no event shall contributions for family or medical leave exceed a period of twelve (12) weeks per employee in any calendar year. the hours of contributions for each week of family or medical leave shall be calculated by determining the average weekly hours worked by the employee during the twelve (12) week period preceding family or medical leave, including all hours during said period of paid vacation, holiday and or sick leave.

PENSION

Current::

The Company shall contribute to the ITPE Pension Plan the sum of Fifty (\$0.50) cents per hour for all straight time hours worked plus all hours of paid vacation, holidays, and sick leave, for each and every employee covered by this Agreement. In executing this agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE Pension Plan and any amendments duly adopted thereto. The Company further agrees to be bound by all resolutions and other actions taken by the Board of Trustees of such plan.

Effective October 1, 2001:

The Company shall contribute to the ITPE Pension Plan the sum of fifty-five (\$0.55) cents per hour for all straight time hours worked plus all hours of paid vacation, holidays, and sick leave, for each and every employee covered by this Agreement. In executing this agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE Pension Plan and any amendments duly adopted thereto. The Company further agrees to be bound by all resolutions and other actions taken by the Board of Trustees of such plan.

D.E.W. Management Services Inc.


VACATIONS

Current and Effective October 1, 2001:

After one (1) year of service, two (2) weeks of vacation.
After five (5) years of service, three (3) weeks of vacation.
After fifteen (15) years of service, four (4) weeks of vacation.

Length of service includes the whole span of continuous service with the present (successor) contractor, wherever employed, and with the predecessor contractors in the performance of similar work at the same federal Facility. An employee whose employment terminates after vesting for vacation benefit will be paid for accrued unused vacation days on a pro-rata basis.

HOLIDAYS

Current and Effective October 1, 2001:

- | | |
|--|----------------------|
| 01. New Years Day | 06. Labor Day |
| 02. Martin Luther King, Jr.'s Birthday | 07. Columbus' Day |
| 03. Presidents' Day | 08. Veterans' Day |
| 04. Memorial Day | 09. Thanksgiving Day |
| 05. Independence Day | 10. Christmas Day |

SICK LEAVE

Current and Effective October 1, 2001:

All employees shall accrue Sick Leave at the rate of one (1) day of sick leave for every two (2) months worked, not to exceed six (6) days per year. It shall be required of all employees to submit to the employer a certificate of notification from a doctor as proof of illness before receiving sick pay. All unused accumulated sick leave shall be paid to the employees at the end of each Government contract year or contract period if less than one year, or the employee's termination for any reason.

D.E.W. Management Services Inc.


UNIFORM ALLOWANCE

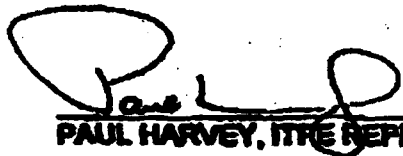
Current and Effective October 1, 2001:

All employees shall receive an allowance of eighty-five (\$0.85) cents per day for the laundering and maintenance of company-provided uniforms.

However, in those instances where the uniforms furnished are made of "wash and wear" materials, and may be routinely washed and dried with other personal garments, and do not require any special treatment such as dry cleaning or commercial laundering in order to meet the cleanliness or appearance standards set by the terms of the Government contract, by the contractor, by law, or by the nature of the work, the company will not be required to reimburse the employees for uniform maintenance costs.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

FOR THE UNION: Industrial Technical and Professional Employees Union


PAUL HARVEY, ITR REPRESENTATIVE

7/18/01
DATE

FOR THE COMPANY: D.E.W. Management Services, Inc.


DAVID WADE, PRESIDENT

8-20-01
DATE

REGISTER OF WAGE DETERMINATIONS UNDER
THE SERVICE CONTRACT ACT
By direction of the Secretary of Labor

U.S. DEPARTMENT OF LABOR
EMPLOYMENT STANDARDS ADMINISTRATION
WAGE AND HOUR DIVISION
WASHINGTON, D.C. 20210



William W. Gross
Director

Division of
Wage Determinations

Wage Determination No.: 2000-0099
Revision No.: 1
Date of Last Revision: 07/17/2000

State: California

Area: California County of San Bernardino

Employed on U.S. Marine Corps contract, Corps Air Ground Combat Center, for Mess Attendant service at buildings 1420, 1610, and Mess Attendant/Full Food Service at buildings 1630 and 1650 in the above
LOCALITY:

Collective Bargaining Agreement between D.E.W. Management Services, Inc., and Industrial, Technical And Professional Employees Union, (AFL-CIO) effective November 1, 1999 through October 31, 2002.

In accordance with Sections 2(a) and 4(c) of the Service Contract Act, as amended, employees employed by the contractor(s) in performing services covered by the Collective Bargaining Agreement(s) are to be paid wage rates and fringe benefits set forth in the current collective bargaining agreement and modified extension agreement(s).

Collective Bargaining Agreement

Between

**Industrial, Technical And Professional Employees
Union, (AFL-CIO)**

And

D.E.W. Management Services, Inc.

Covering Food Service Employees

At

**MCAGCC, Twenty-nine Palms, Buildings 1630 and 1650
Twenty-nine Palms, California**

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PREAMBLE

THIS AGREEMENT is entered into by and between: D.E.W. Management Services, Inc. (hereinafter referred to as the Company) and **Industrial, Technical and Professional Employees Union, AFL-CIO** (hereinafter referred to as the Union) as representatives of all its non-supervisory employees, at MCAGCC, buildings 1630 and 1650, in the mutual interests of the employees and the Company to promote and further the efficiency and economy of operations, to provide orderly collective bargaining relations, a method for the prompt and equitable disposition of grievances, and a method for the establishment of fair wages, hours, and working conditions for the employees covered hereunder. In making this Agreement, it is recognized to be the duty of the Parties to cooperate fully with each other, both individually and collectively, for the advancement of the purposes of this Agreement.

This Agreement supersedes any and all prior Agreements between the Company and the Union.

ARTICLE I - UNION RECOGNITION

Section A

The Company hereby recognizes the Union as the sole bargaining agent for all of its non-supervisory employees, excluding all managerial employees and supervisors, as defined in Section 2 of the National Labor Relations Act, as amended.

Section B

Whenever the words "employee" or "employees" are used in this Agreement, they designate only such employees as are covered by this Agreement. Whenever in this Agreement employees or jobs are referred to in the male gender, it will be recognized as referring to both male and female employees.

Section C

It is understood by this Section that the parties hereto shall not use any leasing or subcontracting device to evade the terms of this Agreement. The Company shall give a copy of this Agreement and applicable Addenda hereto the Contracting Officer at every Military Installation where this Agreement is applicable.

ARTICLE II - UNION SECURITY AND MEMBERSHIP

Section A

It shall be a condition of employment that all employees of the Company covered by this Agreement who are members of the Union in good standing on the effective date of this Agreement shall remain members in good standing and those who are not members on the effective date of this Agreement, shall on or after the thirtieth (30th) day following the effective date of this Agreement or the execution date, whichever comes later, shall on or after the thirtieth (30th) day following the beginning of such employment become and remain members in good standing of the Union.

Section B

Union Shop Provision to Take Effect if Prohibition law invalidated

The provisions of Article II, Section A, shall be deemed to be of no force and effect in any state whose law governs this contract to the extent to which the making or enforcement of such provisions is contrary to statutes, constitutional amendment or the law of such state, provided, however, that whenever any such court of last resort having jurisdiction of such questions finds the state law to be invalid or inapplicable, the provisions of Section A above shall immediately thereupon be deemed to cover this bargaining unit or employees directly affected by such declaration of invalidity.

Section C

If the provisions of Article II, Section A shall be deemed to be of no force and effect, the following shall govern: Employees who are members of the Union on the date of execution of this Agreement, and employees who join the Union subsequent to the execution hereof, shall maintain their membership in the Union as a condition of employment during the term thereof.

Section D

The company will deduct from the wages of any employee covered by this agreement said employee's dues as a member of the Union upon receiving the employee's voluntary and individual written authorization for the Company to make such deductions, signed by the employee. Such authorization form shall be provided by the Union. The Company will pay over to the proper officer of the Union the wages withheld for such initiation fees and dues. The remittance shall be accompanied by a list showing individual names, social security numbers, dates hired, and amounts deducted. The total remittances are to be made not later than fifteen (15) days after the last day of the month for which deductions were made. The Union shall advise the Company of the amount of initiation fees and dues and the manner in which same shall be deducted. The amount so withheld, less any amounts due to any improper withholding, shall be reported and paid to the Union monthly.

Section E

Payment for membership dues shall not be required as a condition of employment during leaves of absence, without pay in excess of thirty (30) days or during period of permanent transfer to a job classification not covered by this Agreement.

Section F

In the event of termination of employment, there shall be no obligation upon the Company to collect dues until all other deductions have been made.

Section G

The company will make available to the Union a list of newly hired and terminated employees covered by this Agreement. Such list will be prepared monthly and will show the name, social security number and address, job classification and hire or termination date of such employees who were hired or terminated during the month for which the list is prepared.

Section II

The company shall notify the Union of all job openings within the bargaining unit covered by this Agreement. The Union may refer applicants for such openings. In interviewing and hiring for such job openings, the Company will not discriminate against any applicant referred by the Union. Nothing in this contract, however, shall be construed to create an exclusive hiring hall arrangement, and the Company shall at all times be free to advertise and list said job openings from any sources available to the "Company".

Section I

The Company shall be the judge of the qualifications of its employees. Any employee who disputes the Company's determination of qualifications can submit a grievance on that issue.

Section J

The Union agrees to indemnify and save the Company harmless against any claim, suits, judgments, or liabilities of any sort whatsoever arising out of the Company's compliance with the provisions of this Union Security and Membership Article.

ARTICLE III - EQUAL OPPORTUNITY

Section A

In accordance with the established policy of the Company and the Union, the provisions of the Agreement will apply equally to all employees hereunder regardless of sex, color, age, race, creed, national origin, mental or physical handicap, disabled veteran, or Vietnam era military service commitment. The Company and the Union also recognize the desirability of implementing the national policy of providing equal opportunity to all persons and agree to work actively toward the implementation of the policy.

Section B

There will be no discrimination against any employee on account of membership in, or activity on behalf of, the Union.

ARTICLE IV - ACCESS TO BARGAINING UNIT

Duly authorized representatives of the Union shall be permitted to investigate the standing of all employees and investigate conditions at any bargaining unit covered by this Agreement to see that the Agreement is being enforced, provided that no interview shall be held during the rush hours, or unreasonably interrupt the duties of any employee. The Company shall be notified by the Union representative before he shall take action with the person involved. The representative of the Union shall contact the highest ranking Company representative then present at the facility and inform him of the circumstances. The employer and the Union representative shall conduct themselves in such manner as to carry out the intent and spirit of this section.

ARTICLE V - PROBATIONARY PERIOD

Section A

Every new employee and any employee rehired after a break in seniority under Article VI of this Agreement shall be on probation for the first sixty (60) working days of such employment.

Section B

At any time during such an initial probationary period, an employee may be discharged for any reason, and any such employee so discharged shall not have the right to file a grievance or have other recourse to the grievance procedure.

Section C

Any employee promoted to a job classification covered by this Agreement from a lower-paid classification shall be on probation for the first thirty (30) days of employment in the new classification. At any time during such a probationary period, the Company may, for any reason, return the employee to that employee's former position without any loss of seniority, and any such employee shall not have the right to file a grievance or have other recourse to the grievance procedure with regard to any such return to former classification. A promoted employee shall, during the thirty (30) day of the period and thereafter, have the right to file a grievance and resort to the grievance procedure with regard to all other matters covered by this Agreement.

ARTICLE VI SENIORITY

Section A

It is agreed that the Company and the Union will meet for the purpose of establishing a seniority list for all employees employed at each bargaining unit at the time of the signing of this Agreement. Said seniority list will be based upon official records of the Union, of the Company, its predecessors, and state and federal agencies. Not later than fifteen (15) days prior to the expiration of the Company's contractor a list of all its current employees together with their dates of hire and the dates their last vacation pay was paid by the Company. The following Sections in this Article shall become applicable and shall be in force and effect upon the establishment of the seniority list. Seniority shall, except as otherwise provided, be on the basis set forth in Section D of this Article.

Section B

In the event that the Company finds it necessary to lay off employees for any reason, other than disciplinary, such layoffs shall be on the basis of seniority, ie. the employee on duty in the individual building where the lay-off occurs having the shorter period of continuous service. The Company shall recall such laid-off employees in the reverse order. Senior employees shall have preference of full-time employment at all times if equal distribution of work is impossible. Senior employees may, however, exercise their seniority rights by taking a job in a lower classification.

Section C

Employees shall have the right to select available work schedules by seniority in job assignments for which they are qualified. Each employee shall be given his work schedule. The work schedule for each week shall be posted at least four (4) days prior to the beginning of the work week.

Section D

Except as otherwise provided herein, seniority shall be measured from the date of the employee's initial hire at any military installation with the Company or a predecessor employer engaged in providing similar services at that installation, provided there has been no break in seniority under Section E of this Article. Employees transferred by the Company to any military installation covered by this Agreement shall have their seniority measured from the date of the initial hire by the Company, or its franchise as the case may be, regardless of where such service was performed.

Section E

An employee shall lose his seniority upon his retirement, resignation or discharge for just cause. An employee will be considered to have resigned if he:

(1) fails to report to work on the day following expiration of an authorized leave of absence, unless failure to report is due to conditions recognized by the Company to be beyond the control of the employee and he reported such conditions as soon as possible;

(2) is on lay-off for a period exceeding one (1) year;

(3) is absent from work for two (2) consecutive work days without properly notifying the Company of the reason for absence even though the reason for such absence is beyond the control of the employee, or in any event, fails to report for work as scheduled without such reason;

(4) fails, while on lay-off, upon notice from the Company that work is available, to report to the Company for work as soon as practicable, but not later than seven (7) work days, and provided that the employee notifies the Company within three (3) days of such notice that he will return to work within the seven-day period.

The company fulfills its obligations under this Section by sending notice by telegram or by certified letter to the last known address of the employee. It is the obligation of the employee to keep the Company informed of his current address and telephone number.

Section F

An employee who has occupied a position with the Company covered by this Agreement and who accepts a position with the Company in a classification not covered by this Agreement will continue to accrue seniority for nine (9) months, after which period he shall retain his accumulated seniority, provided he remains in the employ of the employer.

Section G

The Company will offer available Cook positions to qualified workers that are currently employed, prior to hiring new employees for those positions, when the current employee's qualifications are evaluated by the Company as being at least "equal to" the Qualifications of all other applicants for the position from sources outside the Company's current work force.

ARTICLE VII - DISCIPLINE

No employee shall be discharged without just cause, and all dismissals will be subject to the grievance procedure and arbitration clause. All reprimands and discharge notices shall be in writing and shall be signed by the Project Manager. Copies of the reprimand or discharge notice shall be given to the employee reprimanded and to the shop steward. Each reprimand shall be canceled after nine (9) months. Three (3) reprimands within a nine (9) month period may result in immediate dismissal. Theft, intoxication on the job, willful abuse and destruction of Company or government property, failure to perform work as directed, illegal use of drugs, and disrespect to customer/agency personnel or assigned Company management and supervisory staff personnel may result in immediate dismissal regardless of the number of prior reprimands. Disrespect to employees by customer/agency or Company personnel will not be tolerated.

ARTICLE VIII - GRIEVANCE PROCEDURE

Section A

A grievance is defined as a claim or dispute by the employer or employee or the Union concerning the interpretation or the application of this Agreement or of any local addendum hereto.

Section B

All grievance must be presented in writing and filed in accordance with the following exclusive procedure:

STEP 1 - The employee who has a grievance shall discuss it with their immediate supervisor and the Project Manager either himself or through his shop steward. If the grievance is not settled at the STEP 1 meeting, it may be appealed by the Union Representative to the Project Manager to STEP 2 within five (5) days of STEP 1 meeting. Company grievances shall be processed beginning with STEP 2.

STEP 2 - The Union representative, and the Project Manager will discuss the grievance. If the grievance is not disposed of to the satisfaction of the party filing the grievance at STEP 2, the grievance may be appealed to STEP 3 by the party or representatives of the party filing the grievance by filing a written appeal to the opposing party within seven (7) days after STEP 2.

STEP 3 - Within seven (7) days after appeal to the opposing party, the parties (the Company and the Union designated representative) will attempt to settle the grievance. The party being complained against shall render that party's decision within five (5) days after completion such meeting.

If the grievance is not disposed of to the satisfaction of the complaining party, the grievance may be appealed to arbitration by the Company or the Union lodging a written appeal with the other party within ten (10) days of receipt of such written decision.

Section C

A grievance involving discharge of an employee shall be brought directly to STEP 2 and must be filed in writing by the grievant with the Project Manager within five (5) days of discharge.

Section D

A grievance not involving discharge shall be without effect unless filed in writing by the grievant within seven (7) days from the date the complaining party discovered the facts or should have discovered the facts giving rise to the grievance.

Section E

At any step of the grievance procedure, the Company or the Union may designate a substitute for the official designated herein. The officially designated representative of either party may be accompanied by two (2) other persons at any step of the procedure except STEP 1. The parties may mutually agree that further representatives may be present.

Section F

The time limits set forth in this Article may be extended mutually in writing. Time limits are exclusive of Saturday, Sunday and recognized holidays.

ARTICLE IX - ARBITRATION

Section A

Within ten (10) days after the filing of the notice of the intent to submit the unsettled grievance to arbitration, the parties shall attempt to mutually select an impartial arbitrator. If the parties are unable to agree within five (5) days of that meeting upon the choice of an arbitrator, they shall request the Federal Mediation and Conciliation Service to submit a list of five (5) persons qualified to act as the impartial arbitrator. A representative of the Company and a representative of the Union shall meet within five (5) days of the receipt of the list and shall alternately strike two (2) names from the list, the party to strike first to be selected by lot. The fifth, remaining person shall thereupon be selected as the impartial arbitrator.

Section B

The parties shall enter into a submission agreement which shall clearly state the arbitrable issue or issues to be decided. If the parties are unable to agree on joint statement of the arbitrable issue or issues to be decided by the arbitrator, the submission shall contain the written grievance and the disposition of the same with the notation that the parties could not agree upon a submission agreement.

Section C

During the hearing, each party shall have full opportunity to present evidence and argument, both oral and documentary. The impartial arbitrator will render his finding and award in writing within thirty (30) calendar days after the conclusion of the hearing. The decision of the impartial arbitrator shall be final and binding. The impartial arbitrator shall have no authority to modify, amend, revise, add to or subtract from any of the terms or conditions of this Agreement.

Section D

The fees of the arbitrator and necessary expense, including transcript, if desirable, of any arbitration proceeding shall be borne equally by the Company and the Union except that each party shall pay the fees of its own counsel or representative. If an employee witness is called by the Company, the Company will reimburse him for time lost at his regular straight time base rate. If an employee witness is called by the Union or if an employee-grievant is present at the hearing, the Union will reimburse such personnel for time lost.

ARTICLE X - MILITARY LEAVE

Section A

Employees entering the military or naval service, Red Cross, or other combat relief service or conscripted civil service of the United State during the life of this Agreement will be place on military leave of absence in accordance with the provisions of the Universal Military Training and Service Act, and will retain their seniority while in such service and be returned to their former positions upon honorable discharge from service, provided they are physically and mentally capable of working.

Section B

An employee who is a member of a military reserve unit and who is required to participate in active training will be granted a leave of absence without pay for the period of such training duty, not to exceed thirty (30) days in any year.

Section C

An employee applying for leave under this Article will give the Company at least five (5) working days notice prior to reporting date, unless the recall to active duty provides the employee less than five (5) days to reporting date, in which case, the employee will apply for Military Leave under this Article within one (1) working day of his/her receipt of recall notification.

ARTICLE XI - LEAVE OF ABSENCE

Section A

Employees are entitled to leave of absence not exceeding one (1) year for good cause. Such leave of absence may be granted for restoration of health, medical, dental or other treatment, maternity leave, or employment by the Union. A leave of absence under this Article will not be considered employment time for seniority status, nor for benefit accrued, as specified in Article XIX, Annual Benefit Fund, and Addendum thereto, of this Agreement. The Company reserves the right to fill the open position under the terms of Article II, Sections H & I, and Article VI Section C.

Section B

Except as otherwise provided therein, a leave of absence under this Article will not be considered employment time for seniority. For example, an employee works continuously for nine (9) months and is granted a thirty (30) day leave of absence without pay. When the employee returns to work, he has nine (9) months seniority and will be required to work three (3) more months in order to have one (1) year seniority.

Section C

Upon return from a leave of absence, the employee will be returned to work for which he can qualify in his job classification on the basis of seniority.

Section D

Any employee who engages in gainful employment without permission of the Company while on leave of absence shall be subject to discharge.

Section E

All leaves of absence must be applied for in writing and if granted must be granted in writing by the Company.

Section F

All leave of absence shall be for a specific designated period of time, and an employee may return to work earlier than the specifically designated date for his return only with the consent of the Company.

ARTICLE XII - BEREAVEMENT LEAVE

Employees shall be entitled to paid Bereavement Leave as set forth in the applicable local Addendum attached hereto.

ARTICLE XIII - SHOP STEWARDS

Section A

Shop stewards shall be designated by the Union from the group he or she is to represent, and the Union will notify the Company of the duly designated shop steward(s) at each bargaining unit.

Section B

The shop stewards shall not interfere with the management of the business or direct any work of any employee, but may advise the Company of any violations of the Agreement, and also notify the employee participating therein.

Section C

Prior to leaving the work area, the shop steward will request permission from the supervisor. Shop stewards will not leave the work area during rush hours.

Section D

Shop Stewards shall be entitled to top seniority at the facility to the fullest extent allowed by law.

Section E

A telephone will be made available to the Shop Stewards for the purpose of communicating with the Union. Such calls will be placed at no cost to the Company.

ARTICLE XIV - REST PERIODS

An employee who is scheduled to work for not less than four (4) continuous hours on a shift shall be entitled to one paid ten (10) minute unscheduled rest period during each four (4) hours or part thereof. Rest periods shall not be taken at the beginning or end of a shift, nor shall they be taken together with the meal break.

ARTICLE XV - LAYOFFS AND RECALLS

Section A

In the event of a reduction of forces, the Company will give reasonable notice of layoff, under the circumstances, to the employees with the least seniority within the affected of the bargaining unit and will recall employees in reverse order, such recall to be by job classification. No new employees will be hired at any of the bargaining unit until all qualified laid-off employees at that bargaining unit have been recalled, and all qualified, laid-off employee from a bargaining unit, other than the one at which the vacancy occurs, may reject the offer if it would require that employee to relocate, without loss of seniority and future right to recall.

Section B

If the affected bargaining unit is closed for less than six months, any (laid-off) employee transferred or recalled to another facility will be placed at the end of the seniority list for that operating facility (but ahead of any other employee transferred to or newly hired at that bargaining unit on a later date). If the affected facility is closed for more than six months, any (laid-off) employee transferred or recalled to another bargaining unit will be placed in the seniority list for that operating bargaining unit in accordance with the employee's Base-wide seniority.

Any transferred or recalled employee returned to the affected facility in accordance with the seniority provisions herein shall be accorded seniority for the full period while working at the operating bargaining unit during the closure.

In the event any of the bargaining unit is permanently closed, all remaining shifts be subject to bid in accordance with unit-wide seniority.

ARTICLE XVI - WAGES

The schedule of effective wage rates and job classifications for employees is set forth in the applicable local addendum hereto.

ARTICLE XVII - OVERTIME

Section A

One and one-half (1 1/2) times the hourly rate of pay will be paid for all time worked in excess of twelve (12) hours in any one day.

Section B

One and one half (1 1/2) times the hourly rate of pay will be paid for all time worked in excess of forty hours of work in a week.

Section C

When a regular employee is called to work within two (2) hours of starting time of his next regular shift, he will receive two (2) hours at the applicable rate.

Section D

A regular employee who has completed his shift, has left the Company property and is thereafter called for work at any time prior to two (2) hours before his next scheduled shift, will be provided with four (4) hours of work or pay therefore at the applicable rate.

Section E

When an employee works more than eight (8) hours in any twenty-four (24) hour period due to a change of shift pursuant to his request, or in accordance with the regular rotation of employees, such employee shall receive only straight time for the second eight (8) hours or portion thereof worked during such twenty-four (24) hour period.

Section F

When an employee, other than a security guard, works overtime beyond his shift, he will be entitled to a ten (10) minute rest period at the completion of his regular shift, and another such rest period at the completion of his tenth (10th) consecutive hour if he is required to work beyond ten (10) hours. On the same basis, similar rest periods will be provided after each additional two (2) hours worked. Such periods will be scheduled as near to the appointed time practicable, subject to requirements of the service.

Section G

Overtime work will be distributed among the employees qualified to perform the work necessitating overtime within the appropriate crew or shift as equitably as practicable. Overtime lists will be made available to shop stewards on request. The company will give as much notice of overtime as practicable.

Section II

No overtime will be worked except by prior direction of the proper supervisory personnel of the Company, except in case of emergency and when prior authority cannot be obtained.

Section I

For overtime purposes, a day is the twenty-four (24) hour period beginning with the daily starting time as set forth in the Company's contract with the Government.

Section J

Nothing herein shall be construed to require or permit the pyramiding of overtime or overtime pay.

ARTICLE XVIII - HEALTH AND WELFARE

The Company shall pay the health and welfare benefits as set forth in the applicable local addendum hereto, not to exceed eight (8) hours per day or forty (40) hours per week for each employee.

In executing this Agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE-NMU/MEBA Health and Welfare Fund and the terms and conditions of the Plan created thereunder. In addition, the Company agrees to be bound by any amendments to the aforesaid Agreement and Declaration of Trust and Plan, together with all resolutions and other actions duly adopted by the Board of Trustees of the ITPE-NMU/MEBA Health and Welfare Fund.

Contributions For Family or Medical Leave: The company shall contribute the amount set forth in the applicable local addendum to the ITPE-MEBA/NMU Health and Welfare Fund on behalf of any employee who is on a family or medical leave of absence under the federal Family and Medical Leave Act. In order to be eligible for such contributions, an employee must have worked for the Company or its predecessor at the base for a total of at least twelve (12) months and for at least 1,250 hours in the twelve (12) month period preceding the period of family or medical leave.

In no event shall contributions for family or medical leave exceed a period of twelve (12) weeks per employee in any calendar year. The hours of contributions for each week of family or medical leave shall be calculated by determining the average weekly hours worked by the employee during the twelve (12) week period preceding family or medical leave, including all hours during said period of paid vacation, holiday and or sick leave.

ARTICLE XIX - ANNUAL BENEFITS FUND

For the purposes of providing vacation, holidays, sick leave, bereavement leave, jury duty, and other benefits, the Company shall contribute to the ITPE-NMU/MEBA Annual Benefit Fund as set forth in the applicable local Addendum hereto for each hour for which the Company makes or is required to make direct payment of wages to such employee.

In executing this Agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE-NMU/MEBA Annual Benefit Fund and the terms and conditions of the ITPE-NMU/MEBA Annual Benefit Plan created thereunder. In addition, the Company agrees to be bound by any amendments to the aforesaid Agreement and Declaration of Trust and Plan, together with all resolutions and other actions duly adopted by the Board of Trustees of the ITPE-NMU/MEBA Annual Benefit Fund.

The vacation, holiday, sick leave, bereavement leave, jury duty, and other benefits provided under this Agreement and the eligibility requirements for such benefits shall be specified in the ITPE-NMU/MEBA Annual Benefit Plan.

ARTICLE XX - PENSION

The Company shall pay pension benefits as set forth in the applicable local addendum hereto, not to exceed eight (8) hours per day or forty (40) hours per week for each employee.

In executing this Agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE-NMU/MEBA Pension Fund and the terms and conditions of the Plan created thereunder. In addition, the Company further agrees to be bound by any amendments to the aforesaid Agreement and Declaration of Trust and Plan, together with all resolutions and other actions duly adopted by the Board of Trustees of the ITPE-NMU/MEBA Pension Fund.

ARTICLE XXI - UNIFORMS AND SAFETY EQUIPMENT

The Company is required to furnish employees with safety equipment and a minimum of three (3) wash and wear uniforms, without cost to the employees.

The employees shall be responsible for laundering and maintaining the uniforms provided by the Company and returning Company provided uniforms to the Company upon termination of their employment with the Company.

ARTICLE XXII - JURY DUTY

An employee summoned to serve on a jury shall receive compensation as set forth in the applicable local Addendum hereto.

ARTICLE XXIII - INDIVIDUAL CONTRACTS

No employee shall be compelled or allowed to enter into any individual contract or agreement with the Company concerning the conditions of employment contained herein.

ARTICLE XXIV - NO STRIKE-NO LOCKOUT

Section A

During the term of this Agreement, the Union shall not authorize, cause, engage in, sanction or assist in any work stoppage, strike or slow-down of operations.

Section B

During the term of this Agreement, the Company shall not cause, permit or engage in any lockout of its employees.

Section C

The Company reserves the right to discharge or otherwise discipline any employees taking part in any violation of this provision of the Agreement.

ARTICLE XXV - PICKET LINES

Refusal of an employee to cross a bona fide picket line established by a labor organization claiming to have a dispute with the Company and approved by the Union shall not be construed to be a breach of this Agreement. This provision is not applicable to security guards.

ARTICLE XXVI - EMPLOYEE INJURY

An employee injured during working hours shall receive the rest of the day off without loss of pay, provided that the injuries are such that a doctor orders the employee not to return to work.

ARTICLE XXVII - GOVERNMENT REQUIREMENTS

Section A

The Union agrees to cooperate with the Company in all matters required by the United States Government, and the Union recognizes that the terms and conditions of the Agreement are subject to certain sovereign priorities which the United States Government may exercise. The Union agrees that any actions taken by the Company pursuant to a requirement of the United States Government shall not constitute a breach of this Agreement. Nothing in this Agreement shall be construed to prevent institution of any change prior to discussion with the Union where immediate change is required by the United States Government. The Company will, however, negotiate with the Union concerning the effects of any such change.

The Union and Company recognize and will abide by Executive Orders 11246 and 11247 and Title VII of the Civil Rights Act of 1964 and all related rules, laws, and regulations, as amended.

ARTICLE XXVIII - GENERAL

Section A

This Agreement and the local addenda hereto, when accepted by the parties hereto and signed by the respective representatives thereunto duly authorized, shall constitute the sole agreement between the parties involving the employees covered by the Agreement. Any alteration or modification of this Agreement must be made by and between the parties hereto and must be in writing.

Section B

In the event any provision of this Agreement or of any local Addendum hereto is declared invalid by any competent court or Governmental agency on account of existing or future legislation, such invalidation shall not affect the remaining provisions of this Agreement and the local Addenda.

Section C

Any employee leaving the service of the Company will, upon written request to the Company be furnished with a letter setting forth the Company's record of his job classification stating his length of service and beginning and ending rate of pay.

Section D

Employees entering the service of the Company may be required to take a physical examination specified by the Company. Any time thereafter, an employee may be subjected to further physical examinations during the course of his employment or recall to service after layoff or leave of absence.

Section E

The Company shall provide bulletin board space at each facility within a bargaining unit for use by the Union.

Section F

Company payroll records with respect to any employee in the unit whose pay is questioned will be provided, upon written request of the Union Representative, within a reasonable period of time. Payroll records, with respect to the current period with respect to such an employee, may be examined by the Union Representative upon written request during normal business hours.

Section G

In the event the Department of Labor determines that the wages and fringe benefits contained in any local Addendum to this Agreement were not reached as a result of arms-length negotiation or are substantially at variance with those prevailing for services of a similar character in the locality, then such wages and benefits shall be rendered null and void. In such event, the Company shall be obligated to pay the wages and fringe benefits specified in the appropriate Wage Determination issued by the Department of Labor.

Section H

Subject to the express limitations of this Agreement, and any applicable local addendum hereto, the Company retains the sole and exclusive right in its discretion to manage its business, to hire, discharge for cause, layoff, assign, transfer, promote or demote employees, to determine the starting and quitting time, to establish, discontinue or change operations, productions, work standards or plant rules, provided, however, that with respect to any action which results in a change in established work rules, existing hours of work, or the size of the work force, the Company shall give prior notice to the Union before taking such action on such matters. Nothing herein shall prevent individual employees, either alone or with a Union Representative, from consulting with Company representatives on problems relating to their individual work schedules.

Section I.

The Union and Company recognize and will abide by the Drug-Free Workplace Act of 1988 and Privacy Act of 1974 and all related rules, laws, and regulations as amended. To comply with the requirements for a drug-free workplace at all Government contract locations while protecting the rights of bargaining unit employees, the Union and Company agree to the following procedures for drug testing:

- a. Bargaining unit employees will be tested for drugs/alcohol if, by the observation of their immediate supervisor and with the concurrence of the Project Manager, any three or more of the following checklist criteria exist for that employee:
 1. Appearance: Bloodshot eyes, runny nose, a "flushed" look, visible tremors, frequent sniffing, puncture marks, dilated/constricted pupils, sunglasses worn indoors, generally disheveled appearance, or profuse perspiration.
 2. Speech: General confusion, incoherent speech, very slow speech, slurred words, whispering for no reason, very loud talking, or refusing to talk at all.
 3. Behavior: Lethargic, paranoid, confused, disoriented, significant mood swings, lack of coordination, repeated or unexplainable accidents/injuries, unexplainable euphoria, or unusually aggressive or violent behavior.

4. Absenteeism: Frequent unreported absences; unusually high incidence of colds, flue, upset stomach or headaches; frequent use of unscheduled vacation time; leaving the work area more than necessary or unexplained disappearances from the work area; or a high rate of absenteeism or lateness on Mondays and Fridays and days before and after holidays.
 5. Work Patterns: Inconsistent quality of work or lower than normal productivity, difficulty in remembering instructions, frequent mistakes, concentration lapses, or difficulty in handling complex assignments.
- b. All laboratories used by the Company for drug/alcohol testing will be certified by an agency of the Federal government for that testing.
 - c. The company will pay all costs associated with the initial drug/alcohol testing.
 - d. The Company will provide, through the medical services provider contracted by the Company for each operating site, a Medical Review officer to monitor the program, review test results and advise the Project Manager on matters related to the drug testing program for his/her site.
 - e. Any bargaining unit employee who disputes the analysis of the initial test results has the right to have those results reviewed by a second party medical authority competent in analysis of subject test for the purposes of obtaining a second opinion. The bargaining unit employee will pay all costs associated with obtaining that second opinion. If the analysis of the initial test results and the second opinion analysis are in conflict, the Company and bargaining unit employee will share equally the costs of having the test results analyzed/reviewed by a third party medical authority competent in analysis of the subject test. The analysis of this third opinion will have precedence and be binding on the Company and bargaining unit employee.
 - f. Any bargaining unit employee whose drug/alcohol test results are "negative" (no evidence of drug or alcohol in the sample tested) will receive a twenty-five dollar (\$25.00) bonus check with their next regular paycheck.
 - g. The results of drug/alcohol testing will be protected as **CONFIDENTIAL** and released only to the Medical Review Officer, the site's Project Manager, the bargaining unit employee's immediate supervisor, and bargaining unit employee. If disciplinary action is required as a result of the test results, the Union Representative will be given access to review the test results, upon written request from the bargaining unit employee to the site Project Manager.

Article XXIX - Duration

Section A:

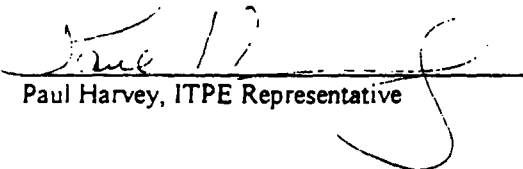
This Agreement shall be come effective November 1, 1999 and shall continue in full force and effect until October 31, 2002, and shall renew itself each successive November 1 thereafter unless written notice of an intended change is served in accordance with the Labor Management Relations Act, as amended, by either party hereto at least 60 days but not more than ninety days prior to the termination date of the contract.

Section B:

For the purpose of negotiating changes in wages, group insurance contributions, sick leave, vacation and holidays, as well as changes in or the introduction of other fringe benefits for a covered facility, the parties shall meet on or about January 1 of each contract year. If the parties are unable to reach agreement by March 31 of each year, either party may terminate this Agreement upon ten days written notice to the other party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

FOR THE UNION: Industrial, Technical and Professional Employees Union, AFL-CIO


Paul Harvey, ITPE Representative

11/1/99
Date

FOR THE COMPANY: D.E.W. Management Services, Inc.


David Wade, President

11/1/99
Date

Addendum

Whereas, **D.E.W. Management Services, Inc.**, (hereinafter, the "Company") and **Industrial, Technical Employees Union, AFL-CIO**, (hereinafter, the "Union") have entered into an Agreement effective **November 1, 1999** and

Whereas, the Union has been duly designated by the Company's non-supervisory employees at **MCAGCC, Twenty-Nine Palms (buildings 1630 and 1650)**, as their collective bargaining representative, and

Whereas, the aforementioned agreement provides for the Company and the Union to negotiate each year for changes in the Wages and Fringe Benefits for the above-named facility, and to enter into an Agreement setting forth those economic terms.

NOW THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

WAGES

Current:

Mess Attendant/ Food Sanitation Specialist	\$ 9.18
Shift Leader	\$10.30
Cook II	\$14.28
Baker	\$14.28
Cook I	\$13.04
Baker Helper	\$13.04
Cashier	\$ 9.18
Storeroom Keeper	\$ 9.33
Accounting Clerk	\$ 9.00

HEALTH AND WELFARE

Current:

The Company shall contribute to the ITPE Health and Welfare Plan the sum one dollar and twenty-five cents (\$1.25) per hour for all straight time hours worked plus all hours of paid vacation, holidays, and sick leave, for each and every employee covered by this Agreement.

In executing this agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE Health and Welfare Plan and any amendments duly adopted thereto.

The Company further agrees to be bound by all resolutions and other actions taken by the Board of Trustees of such plan.

Contributions For Family or Medical Leave. The Company shall contribute one dollar and twenty-five cents (\$1.25) per hour to the ITPE Health and Welfare Plan on behalf of any employee who is on a family or medical leave of absence under the federal Family and Medical Leave Act. In order to be eligible for such contributions, an employee must have worked for the Company or its Predecessor at the Base for a total of at least twelve (12) months and for at least 1,250 hours in the twelve (12) month period preceding the period of family or medical leave.

In no event shall contributions for family or medical leave exceed a period of twelve (12) weeks per employee in any calendar year. The hours of contributions for each week of family or medical leave shall be calculated by determining the average weekly hours worked by the employee during the twelve (12) week period preceding family or medical leave, including all hours during said period of paid vacation, holiday and or sick leave.

VACATIONS

Current:

After one (1) year of service, two (2) weeks of vacation.

After five (5) years of service, three (3) weeks of vacation.

After fifteen (15) years of service, four (4) weeks of vacation.

Length of service includes the whole span of continuous service with the present (successor) contractor, wherever employed, and with the predecessor contractors in the performance of similar work at the same federal Facility. An employee whose employment terminates after vesting for vacation benefit will be paid for accrued unused vacation days on a pro-rata basis.

HOLIDAYS

Current:

01. New Years Day

02. Martin Luther King, Jr.'s Birthday

03. Presidents' Day

04. Memorial Day

05. Independence Day

06. Labor Day

07. Columbus' Day

08. Veterans' Day

09. Thanksgiving Day

10. Christmas Day

In order for an employee to qualify for a paid holiday, he must ^{have worked} his regularly scheduled work day immediately preceding the holiday and his regularly scheduled work day immediately following the holiday, unless excused by reason of illness or other good cause.

SICK LEAVE

Current:

All employees shall accrue Sick Leave at the rate of one (1) day of sick leave for every two (2) months worked, not to exceed six (6) days per year. It shall be required of all employees to submit to the employer a certificate of notification from a doctor as proof of illness before receiving sick pay. All unused accumulated sick leave shall be paid to the employees at the end of each Government contract year or contract period if less than one year, or the employee's termination for any reason.

UNIFORM ALLOWANCE

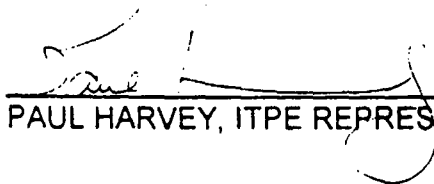
Current:

All employees shall receive an allowance of **eighty-five (\$0.85) cents** per day for the laundering and maintenance of company-provided uniforms.

However, in those instances where the uniforms furnished are made of "wash and wear" materials, and may be routinely washed and dried with other personal garments, and do not require any special treatment such as dry cleaning or commercial laundering in order to meet the cleanliness or appearance standards set by the terms of the Government contract, by the contractor, by law, or by the nature of the work, the company will not be required to reimburse the employees for uniform maintenance costs.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

FOR THE UNION: Industrial Technical and Professional Employees Union

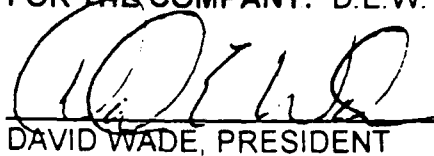


PAUL HARVEY, ITPE REPRESENTATIVE

11/1/99

DATE

FOR THE COMPANY: D.E.W. Management Services, Inc.



DAVID WADE, PRESIDENT

11-1-96

DATE

ATTACHMENT VII-5
COLLECTIVE BARGAINING AGREEMENT

BETWEEN

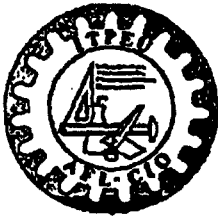
BLACKSTONE CONSULTING, INC.

AND

**AND INDUSTRIAL, TECHNICAL AND PROFESSIONAL EMPLOYEES
UNION (ITPEU)**

AT

MCAS, YUMA, AZ



ITPEU (AFL-CIO)

Affiliated with District No. 1 PCD-MEBA

ITPEU (AFL-CIO)

2222 Bull St., Suite 200, Savannah, GA 31401
P.O. Box 22699, Savannah, GA 31403
912-232-6181 Facsimile: 912-232-5982

DATE: July 17, 2001

BRANCH OFFICE: 10757 Lemon Avenue, #423
Alta Loma, CA 91737
TELEPHONE: (909) 466-5158

1. CONTRACTOR: Blackstone Consulting, Inc.
2. CONTRACT SITE: MCAS Yuma
3. STATE: Arizona COUNTY: Yuma CITY: Yuma
4. TYPE OF SERVICE: Food Service
5. EFFECTIVE DATE OF C.B.A.: January 01, 2000
6. DATE FORWARDED TO CONTRACTING OFFICER: July 17, 2001
7. DATE FORWARDED TO WASHINGTON OFFICE: July 17, 2001
8. DATE DELIVERED TO D.O.L.:
9. CURRENT WAGE DETERMINATION NUMBER: 89-0586
10. STANDARD FORM 98 NUMBER:
11. GOVERNMENT CONTRACT PERIOD: 2001-02
12. EFFECTIVE DATE OF BENEFITS: October 01, 2001
13. REQUEST THAT U.S. DEPARTMENT OF LABOR WAGE AND HOUR DIVISION
REMIT A COPY OF THE APPROPRIATE WAGE DETERMINATION AND
STANDARD FORM 98 TO ITPEU (AFL-CIO), IN WASHINGTON DC.
14. ADDITIONAL COMMENTS:

John Conley, President

Elwood Hampton, Vice President

John Brenton, III, Secretary/Treasurer

T.(Ruthie) Jones, Vice President

Mary Williams, Vice President

Memorandum of Agreement

Between

**Industrial, Technical And Professional Employees
Union, (AFL-CIO)**

And

Blackstone Consulting, Inc.

Covering Food Service Employees

At

**Marine Corp Air Station
Yuma, Arizona**

Memorandum of Agreement

Whereas, Blackstone Consulting, Inc., (hereinafter, the "Company") and Industrial Technical and Professional Employees Union, AFL-CIO, (hereinafter, the "Union") have entered into an Agreement effective January 1, 2000 and

Whereas, the Union has been duly designated by the Company's non-supervisory employees at Marine Corp Air Station, Yuma, Arizona as their collective bargaining representative, and

Whereas, the aforementioned agreement provides for the Company and the Union to negotiate each year for changes in the Wages and Fringe Benefits for the above-named facility, and to enter into an Agreement setting forth those economic terms.

NOW THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

WAGES

Current:

Food Sanitation Specialist II	\$8.24
Food Sanitation Specialist I	\$7.75
Lead Worker	\$10.00
Pot & Pan Washer	\$8.65
Vegetable, Meat & Salad Preparer/Salad Maker	\$8.65
Cashier/Verifier	\$8.24

Company shall have the right to hire not more than ten (10%) percent of its total "new hire" Food Sanitation Specialist I work force for a training program. A "new hire" employee shall be placed in the classification of Food Sanitation Specialist I for a period not to exceed thirty days. Upon completion of this training period, the employee shall be advanced to the classification of Food Sanitation Specialist II. A "new hire" is an employee who has not worked at this federal facility, with any predecessor or current contractors.

Effective October 1, 2001:

Food Sanitation Specialist II	\$8.69
Food Sanitation Specialist I	\$8.14
Lead Worker	\$10.50
Pot & Pan Washer	\$9.08
Vegetable, Meat & Salad Preparer/Salad Maker	\$9.08
Cashier/Verifier	\$8.69

Company shall have the right to hire not more than ten (10%) percent of its total "new hire" Food Sanitation Specialist I work force for a training program. A "new hire" employee shall be placed in the classification of Food Sanitation Specialist I for a period not to exceed thirty days. Upon completion of this training period, the employee shall be advanced to the classification of Food Sanitation Specialist II. A "new hire" is an employee who has not worked at this federal facility, with any predecessor or current contractors.

HEALTH AND WELFARE

Current:

The Company shall contribute to the ITPE Health and Welfare Plan the sum one dollar and eighty-eight cents (\$1.88) per hour for all straight time hours worked plus all hours of paid vacation, holidays, and sick leave, for each and every employee covered by this Agreement.

In executing this agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE Health and Welfare Plan and any amendments duly adopted thereto. The Company further agrees to be bound by all resolutions and other actions taken by the Board of Trustees of such plan.

Contributions For Family or Medical Leave. The Company shall contribute one dollar and eighty-eight cents (\$1.88) per hour to the ITPE Health and Welfare Plan on behalf of any employee who is on a family or medical leave of absence under the federal Family and Medical Leave Act. In order to be eligible for such contributions, an employee must have worked for the Company or its Predecessor at the Base for a total of at least twelve (12) months and for at least 1,250 hours in the twelve (12) month period preceding the period of family or medical leave. In no event shall contributions for family or medical leave exceed a period of twelve (12) weeks per employee in any calendar year. the hours of contributions for each week of family or medical leave shall be calculated by determining the average weekly hours worked by the employee during the twelve (12) week period preceding family or medical leave, including all hours during said period of paid vacation, holiday and or sick leave.

Effective October 1, 2001:

The Company shall contribute to the ITPE Health and Welfare Plan the sum one dollar and ninety cents (\$1.90) per hour for all straight time hours worked plus all hours of paid vacation, holidays, and sick leave, for each and every employee covered by this Agreement.

In executing this agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE Health and Welfare Plan and any amendments duly adopted thereto. The Company further agrees to be bound by all resolutions and other actions taken by the Board of Trustees of such plan.

Contributions For Family or Medical Leave. The Company shall contribute one dollar and ninety cents (\$1.90) per hour to the ITPE Health and Welfare Plan on behalf of any employee who is on a family or medical leave of absence under the federal Family and Medical Leave Act. In order to be eligible for such contributions, an employee must have worked for the Company or its Predecessor at the Base for a total of at least twelve (12) months and for at least 1,250 hours in the twelve (12) month period preceding the period of family or medical leave. In no event shall contributions for family or medical leave exceed a period of twelve (12) weeks per employee in any calendar year. the hours of contributions for each week of family or medical leave shall be calculated by determining the average weekly hours worked by the employee during the twelve (12) week period preceding family or medical leave, including all hours during said period of paid vacation, holiday and or sick leave.

PENSION

Current:

The Company shall contribute to the ITPE Pension Plan the sum of Fifty (\$0.50) cents per hour for all straight time hours worked plus all hours of paid vacation, holidays, and sick leave, for each and every employee covered by this Agreement.

In executing this agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE Pension Plan and any amendments duly adopted thereto. The Company further agrees to be bound by all resolutions and other actions taken by the Board of Trustees of such plan.

Effective October 1, 2001:

The Company shall contribute to the ITPE Pension Plan the sum of Fifty-five (\$0.55) cents per hour for all straight time hours worked plus all hours of paid vacation, holidays, and sick leave, for each and every employee covered by this Agreement.

In executing this agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE Pension Plan and any amendments duly adopted thereto. The Company further agrees to be bound by all resolutions and other actions taken by the Board of Trustees of such plan.

VACATIONS

Current and Effective October 1, 2001:

After one (1) year of service, two (2) weeks of vacation.

After five (5) years of service, three (3) weeks of vacation.

After ten (10) years of service, four (4) weeks of vacation.

The term "hours previously worked" shall include hours of vacation and holidays. Length of service includes the whole span of continuous service with the present (successor) contractor, wherever employed, and with the predecessor contractors in the performance of similar work at the same federal Facility.

Vacations will not be accumulated from year to year, nor taken back to back. If the company consents, the employee may elect not to take his vacation, in which case he will receive pay in lieu thereof on the anniversary dated of his employment. the employee may take his vacation in more than one segment with the consent of the Company. the employee will be paid at the rate current when the vacation was due. Vacation will be granted at times most desired by the employees in order of their seniority within their work schedule, but the final right as to allotment and scheduling of vacation periods is reserved to the Company in order to assure the orderly operation of its business. Except in case of emergence, a vacation period once assigned will not be canceled by the Company except with agreement of the employee.

SICK LEAVE

Current and Effective October 1, 2001:

All employees shall accrue Sick Leave at the rate of one (1) day of sick leave for every two (2) months worked, not to exceed six (6) days per year. All unused accumulated sick leave shall be paid to the employees at the end of the Government contract year or contract period if less than one year, or the employee's termination for any reason. An employee will only be required to provide proof of illness after being absent from work for more than two consecutive days. Each day of sick leave will be based on the average hours worked by the employee, in the two month period in which the sick leave was earned.

JURY DUTY

Current and Effective October 1, 2001:

Employees who are called for Jury Duty and serve as Jurors on regularly scheduled work days shall be paid the difference between the amount received for such service and their basic hourly earnings, not to exceed eight hours per day or forty hours in any one week, up to a maximum of 80 hours per contract year. To be eligible for Jury Duty payment the employee must give notice of his summons to the company as soon as possible, provide adequate proof of dates, time served, and compensation received.

BEREAVEMENT LEAVE

Current and Effective October 1, 2001:

In the instance of the death of a member of the immediate family of an employee, occurring after the completion of the employee's probationary period, the company shall grant a paid leave not to exceed three (3) days annually to enable such employee to attend the funeral and otherwise assist in the burial of such member of the family. A day's pay shall consist of the employee's regularly scheduled hours for the days during which the bereavement occurs, and shall be applicable only to those days within his regular work week. The term "Immediate Family" as used herein shall consist of the following members only: Mother, Father, Spouse, Children, Siblings, Grandparents and Grandchildren. No employee otherwise entitled to leave under this article shall receive such benefits unless he gives the Company reasonable notice before taking time off for bereavement purposes, and provides adequate documentation of his bereavement upon request of the Company.

UNIFORM ALLOWANCE

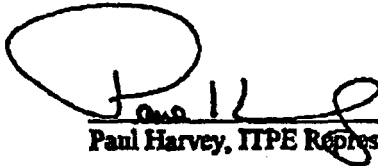
Current and Effective October 1, 2001:

All employees shall receive an allowance of twenty (\$0.20) cents per hour worked for the laundering and maintenance of company-provided uniforms.

However, in those instances where the uniforms furnished are made of "wash and wear" materials, and may be routinely washed and dried with other personal garments, and do not require any special treatment such as dry cleaning or commercial laundering in order to meet the cleanliness or appearance standards set by the terms of the Government contract, by the contractor, by law, or by the nature of the work, the company will not be required to reimburse the employees for uniform maintenance costs.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

FOR THE UNION: Industrial, Technical and Professional Employees Union, AFL-CIO


Paul Harvey, ITPE Representative

5/14/01
Date

FOR THE COMPANY: Blackstone Consulting, Inc.


Ronald J. Blackstone, President

6/29/01
Date

**REGISTER OF WAGE DETERMINATIONS UNDER
THE SERVICE CONTRACT ACT**
By direction of the Secretary of Labor

**U.S. DEPARTMENT OF LABOR
EMPLOYMENT STANDARDS ADMINISTRATION
WAGE AND HOUR DIVISION
WASHINGTON, D.C. 20210**



**William W. Gross
Director**

**Division of
Wage Determinations**

**Wage Determination No.: 1989-0586
Revision No.: 9
Date of Last Revision: 07/05/2000**

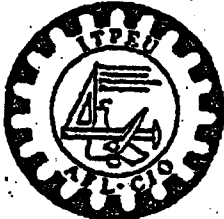
This wage determination applies at the address(es) below:

Marine Corps Air Station, Yuma County, AZ

Employed on U.S. Marine Corps contract for mess attendant services.

Collective Bargaining Agreement between Blackstone Consulting, Inc. and Industrial, Technical & Professional Employees Union AFL-CIO effective January 1, 2000 through December 31, 2003.

In accordance with Sections 2(a) and 4(c) of the Service Contract Act, as amended, employees employed by the contractor(s) in performing services covered by the Collective Bargaining Agreement(s) are to be paid wage rates and fringe benefits set forth in the current collective bargaining agreement and modified extension agreement(s).



ITPEU (AFL-CIO)

Affiliated with District No. 1 PCD-MEBA

DATE: January 10, 2000

ITPEU (AFL-CIO)

2222 Ball St., Suite 200, Savannah, GA 31401

912-232-6181

Facsimile: 912-232-5982

BRANCH OFFICE: 1300 S. Beacon Street, Suite 117

San Pedro, CA 90731

TELEPHONE: (310) 832-5893

1. CONTRACTOR: Blackstone Consulting Inc.
2. CONTRACT SITE: MCAS Yuma
3. STATE: Arizona COUNTY: Yuma CITY: Yuma
4. TYPE OF SERVICE: Food Service
5. EFFECTIVE DATE OF C.B.A.: January 01, 2000
6. DATE FORWARDED TO CONTRACTING OFFICER: January 10, 2000
7. DATE FORWARDED TO WASHINGTON OFFICE: January 10, 2000
8. DATE DELIVERED TO D.O.L.:
9. CURRENT WAGE DETERMINATION NUMBER: 89-0586
10. STANDARD FORM 98 NUMBER:
11. GOVERNMENT CONTRACT PERIOD: 2000
12. EFFECTIVE DATE OF BENEFITS: January 01, 2000
13. REQUEST THAT U.S. DEPARTMENT OF LABOR WAGE AND HOUR DIVISION
REMIT A COPY OF THE APPROPRIATE WAGE DETERMINATION AND
STANDARD FORM 98 TO ITPEU (AFL-CIO), IN WASHINGTON DC.
14. ADDITIONAL COMMENTS:

John Conley, President

Elwood Hampton, Vice President

John Brenton, III, Secretary/Treasurer

T.(Ruthie) Jones, Vice President

Mary Williams, Vice President

Collective Bargaining Agreement

Between

**Industrial Technical And Professional Employees
Union, (AFL-CIO)**

And

Blackstone Consulting, Inc.

Covering Food Service Employees

At

**Marine Corp Air Station
Yuma, Arizona**

PREAMBLE

THIS AGREEMENT is entered into by and between: Blackstone Consulting, Inc. (hereinafter referred to as the Company) and Industrial Technical And Professional Employees Union, AFL-CIO (hereinafter referred to as the Union) as representatives of all its non-supervisory employees, in the mutual interests of the employees and the Company to promote and further the efficiency and economy of operations, to provide orderly collective bargaining relations, a method for the prompt and equitable disposition of grievances, and a method for the establishment of fair wages, hours, and working conditions for the employees covered hereunder. In making this Agreement, it is recognized to be the duty of the Parties to cooperate fully with each other, both individually and collectively, for the advancement of the purposes of this Agreement.

This Agreement supersedes any and all prior Agreements between the Company and the Union.

JB

ARTICLE IX - ARBITRATION

SECTION A.

Within ten (10) days after the filing of the notice of the intent to submit the unsettled grievance to arbitration, the parties shall attempt to mutually select an impartial arbitrator. If the parties are unable to agree within five (5) days of that meeting upon the choice of an arbitrator, they shall request the Federal Mediation and Conciliation Service to submit a list of five (5) persons qualified to act as the impartial arbitrator. A representative of the Company and a representative of the Union shall meet within five (5) days of the receipt of the list and shall alternately strike two (2) names from the list, the party to strike first to be selected by lot. The fifth (5th), remaining person shall thereupon be selected as the impartial arbitrator.

SECTION B.

During the hearing, each party shall have full opportunity to present evidence and argument, both oral and documentary. The impartial arbitrator will render his finding and award in writing within fifteen (15) calendar days after the conclusion of the hearing. The decision of the impartial arbitrator shall be final and binding. The impartial arbitrator shall have no authority to modify, amend, revise, add to or subtract from any of the terms or conditions of this Agreement.

SECTION C.

The fees of the arbitrator and necessary expenses, including transcript, if desirable, of any arbitration proceeding shall be borne equally by the Company and the Union except that each party shall pay the fees of its own counsel or representative. If an employee witness is called by the Company, the Company will reimburse him for time lost at his regular straight time base rate. If an employee witness is called by the Union or if an employee-grievant is present at the hearing, the Union will reimburse such personnel for time lost.

ARTICLE X - MILITARY LEAVE

SECTION A.

Employees entering the Military or Naval Service, Red Cross, or other combat relief service or conscripted Civil Service of the United States during the life of this Agreement will be placed on military leave of absence in accordance with the provisions of the Universal Military Training and Service Act, and will retain their seniority while in such service and be returned to their former positions upon honorable discharge from service, provided they are physically and mentally capable of working.

Article I - Union Recognition

Section A:

The Company hereby recognizes the Union as the sole bargaining agent for all of its non-supervisory employees, excluding all managerial employees and supervisors, as defined in Section 2 of the National Labor Relations Act, as amended.

Section B:

Whenever the words "employee" or "employees" are used in this Agreement, they designate only such employees as are covered by this Agreement. Whenever in this Agreement employees or jobs are referred to in the male gender, it will be recognized as referring to both male and female employees.

Section C:

It is understood by this Section that the parties hereto shall not use any leasing or subcontracting device to evade the terms and conditions of this Agreement. The Company shall give a copy of this Agreement to the Contracting Officer at every base where this Agreement is applicable.

Article II - Union Security and Membership

Section A:

It shall be a condition of employment that all employees of the Company covered by this Agreement who are members of the Union in good standing on the effective date of this Agreement, shall on or after the thirtieth (30th) day following the effective date of this Agreement or the execution date, whichever comes later, become and remain members in good standing of the Union. It shall be a condition of employment that all employees of the Company covered by this and hired on or after the thirtieth (30th) day following the beginning of such employment become and remain members in good standing of the Union.

Section B:

Union Shop Provision to Take Effect if Prohibition Law Invalidated. The provisions of Article II, Section A: shall be deemed to be of no force and effect in any state whose law governs this contract to the extent to which the making or enforcement of such provisions is contrary to statutes, constitutional amendment or the law of such state; provided however, that whenever any such court of last resort having jurisdiction of such questions finds the state laws to be invalid or inapplicable, the provisions of Section A above shall immediately thereupon be deemed to cover this bargaining unit or employees directly affected by such declaration of invalidity.

Section C:

If the provisions of Article II, Section A shall be deemed to be of no force and effect, the following shall govern: employees who are members of the Union on the date of execution hereof, shall maintain their membership in the Union as a condition of employment during the term thereof.

Section D:

The Company will deduct from the wages of any employee covered by this agreement said employee's dues as a member of the Union upon receiving a photocopy of the employee's voluntary and individual written authorization for the Company to make such deductions, signed by the employee. Such authorization form shall be provided by the Union. The Company will pay

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over to the proper officer of the Union the wages withheld for such initiation fees and dues. The remittance shall be accompanied by a list showing individual names, social security numbers, dates hired, and amounts deducted. The total remittances are to be made not later than fifteen (15) days after the last day of the month for which deductions were made. The Union shall advise the Company of the amount of initiation fees and dues and the manner in which same shall be deducted. The amount so withheld, less any amounts due to any improper withholding, shall be reported and paid to the Union monthly.

Section E:

Payment for membership dues shall not be required as a condition of employment during leaves of absences without pay in excess of thirty (30) days or during periods of permanent transfer to a classification not covered by this Agreement.

Section F:

In the event of termination of employment, there shall be no obligation upon the Company to collect dues until all other deductions have been made.

Section G:

The Company will make available to the Union a list of newly hired and terminated employees covered by this Agreement. Such list will be prepared monthly and will show the name, social security number, and address, job classification and hire or termination date of such employees who were hired or terminated during the month for which the list is prepared.

Section H:

The Company shall notify the Union of all job openings within each facility covered by this Agreement. The Union may refer applicants for such openings. In interviewing and hiring for such job openings, the Company will not discriminate against any applicant referred by the Union. Nothing in this contract, however, shall be construed to create an exclusive hiring hall arrangement, and the Company shall at all times be free to advertise and list said job opening from any sources available to the Company.

Section I:

The Company shall be the judge of the qualifications of its employees, but shall give full consideration, without prejudice, to the members of the Union, provided that they have the necessary qualifications.

Section J:

The Union agrees to indemnify and save the Company harmless against any claim, suits, judgments or liabilities of any sort whatsoever arising out of the Company's compliance with the provision of this Union Security and Membership Article.

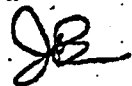
Article III - Equal Opportunity

Section A:

In accordance with the established policy of the Company and the Union, the provisions of the Agreement will apply equally to all employees hereunder regardless of sex, color age, race, creed or national origin. The Company and the Union also recognize the desirability of implementing the

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national policy of providing equal opportunity to all persons and agree to work actively toward the implementation of that policy.

Section B:

There will be no discrimination against any employee on account of membership in, or activity in behalf of the Union.

Article IV - Access To Facility

Duly authorized representatives of the Union shall be permitted to investigate the standing of all employees and investigate conditions at any facility covered by this Agreement to see that the Agreement is being enforced, provided that no interview shall be held during the rush hours, or unreasonably interrupt the duties of any employee. The Company shall be notified by the Union representative before he shall take action with the person involved. The representative of the Union shall contact the highest ranking Company representative then present at the facility and inform him of the circumstances. The employer and the Union representative shall conduct themselves in such a manner as to carry out the intent and spirit of this section.

Article V - Probationary Period

Section A:

Every new or rehired employee shall be on probation for the first thirty (30) days of employment. Employment time will include the whole span of continuous service with the present (successor) contractor, wherever employed, and with the predecessor contractors in the performance of similar work at the same Federal Facility.

Section B:

At any time during such initial probationary period, an employee may be discharged for any reason, and any such employee so discharged shall not have the right to file a grievance or have other recourse to the grievance procedure.

Section C:

Any employee promoted to a job classification covered by this Agreement from a lower-paid classification shall be on probation for the first ninety (90) days of employment in the new classification. At any time during such a probationary period, the Company may, for any reason, return the employee to that employee's former position without any loss of seniority, and any such employee shall not have the right to file a grievance or have other recourse to the grievance procedure with regard to any such return to former classification. A promoted employee shall, during the ninetieth (90th) day of the period and thereafter, have the right to file a grievance and resort to the grievance procedure with regard to all other matters covered by this Agreement.

Article VI - Seniority

Section A:

It is agreed that the Company and the Union will meet for the purpose of establishing a seniority list for all employees employed in the unit at the time of the signing of the Agreement. Said

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seniority list will be based upon official records of the Union, of the Company, its predecessors, and state and federal agencies. Not later than fifteen (15) days prior to the expiration of the Company's contract covering any facility, the Company shall furnish the Union and the successor contractor a list of all its current employees together with their dates of hire and the dates their last vacation pay was paid by the Company. The following Sections in this Article shall become applicable and shall be in force and effect upon the establishment of the seniority list. Seniority shall, for all purposes of this Article, be on the basis of job classification.

Section B:

In the event that the Company finds it necessary to lay off employees for any reason, other than disciplinary, such layoffs shall be on the basis of seniority. I.e., the employee on duty in the facility where the layoff occurs having the shorter period of continuous service shall be laid off first. The Company shall recall such laid off employees in the reverse order. Senior employees shall have preference of full-time employment at all times if equal distribution of work is impossible. Senior employees may, however, exercise their seniority rights by taking a job in a lower classification.

Section C:

Employees shall have the right to select available work schedules by seniority in job assignments for which they are qualified. Each employee shall be given his work schedule. This requirement may be satisfied by a posting of the work schedule. The work schedule for each week shall be posted at least four (4) days prior to the beginning of the work week. Work schedules shall include starting time, quitting time and meal break time. If the work schedule is not posted in the allotted amount of time specified above, the Company will not discipline any employee that is unable to work such schedule changes. When any of the work schedules in a specific job classification is changed, all schedules in that job classification will be considered to be an "available work schedule".

Section D:

In the event that a job opening or position, that is covered by this agreement, becomes available such position shall be posted for qualified employees to bid on. Such posted notices, shall be posted for not less than four working days and will include the title of the position available, the days the work will be required, the starting time, quitting time, and the meal break time. The final selection of the employee to fill the open position will be based on seniority and experience in the job classification.

Section E:

Except as otherwise provided herein, seniority shall be measured from the date of the employee's initial hire date at any facility with the Company or a predecessor employer engaged in providing similar services at that facility, provided that there has been no break in seniority under Section F of this Article. Employees transferred by the Company to any facility covered by this Agreement shall have their seniority measured from the date of the initial hire by the Company or its franchise as the case may be, regardless of where such services was performed.

Section F:

An employee shall lose his seniority upon his retirement, resignation or discharge for just cause. An employee will be considered to have resigned if he:

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(1) Fails to report to work on the day following expiration of an authorized leave of absence, unless failure to report is due to conditions recognized by the Company to be beyond the control of the employee and he reported such conditions as soon as possible;

(2) Is on lay-off for a period exceeding one (1) year;

(3) Is absent from work for two (2) consecutive work days without properly notifying the Company of the reason for absence even though the reason for such absence is beyond the control of the employee, or in any event, fails to report for work as scheduled without such reason;

(4) Fails, while on lay-off, upon notice from the Company that work is available, to report to the Company for work as soon as practicable, but not later than seven (7) work days and provided that the employee notifies the Company within three (3) days of such notice that he will return to work within the seven day period.

The Company fulfills its obligations under this Section by sending notice by telegram or by certified letter to the last known address of the employee. It is the obligation of the employee to keep the Company informed of his current address and telephone number.

Section G:

An employee who has occupied a position with the Company covered by this Agreement and who accepts a position with the Company in a classification not covered by this Agreement will continue to accrue seniority for nine (9) months, after which period he shall retain his accumulated seniority, provided that he remains in the employ of the employer.

Article VII - Discipline

Section A:

No employee shall be reprimanded or discharged without just cause. All reprimands and discharges will be subject to the grievance and arbitration clause. All reprimands and discharge notices shall be in writing and shall be signed by the Project Manager. Copies of the reprimand or discharge notice shall be given to the employee reprimanded and to the Shop Steward. Each reprimand shall be canceled after six (6) months. Two (2) reprimands within a six month period may result in no more than a ten (10) day suspension. Three (3) reprimands within a six (6) month period may result in immediate discharge. A copy of all discharge notices will be sent to the local Union office.

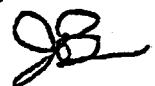
Section B:

Acts allowing for immediate discharge, immediate suspension, or just cause for reprimands:

1. Theft of company or government property.
2. Unlawful possession of alcohol, illegal drugs or substances on the job site.
3. Unauthorized possession of weapons on the job site.
4. Physical violence to or serious threat of physical violence to any person on the job site.

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5. Intoxication on the job or utilization or under the influence of illegal drugs or substances.
6. Refusal to perform a regular work assignment, in their job classification, for other than safety or legal reasons.
7. Willful damage of Company property.
8. Falsification of employment application or work records.
9. Sexual, racial, ethnic, or physical disability harassment to any person
10. Disrespect to military management personnel.

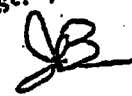
Section C:

Just causes for reprimands:

1. Violation of reasonable company rules, provided that such rules are in writing, have been given to the employee, and have been agreed to by the Union.
2. Failure to give the company at least four hours advance notice that the employee is unable to report to work, unless the employee can establish extenuation circumstances justifying the failure to give such notice. Proof of extenuating circumstances is the responsibility of the employee and must be submitted, to the Company in writing, within three (3) working days.
3. Tardiness, unless the employee can establish extenuating circumstances that can be confirmed by the company. For an employee to be considered tardy, he must be more than five (5) minutes late past his scheduled time for work.
4. Excessive unauthorized absences. An unauthorized absence is consider to be time take off work without the prior approval of management; excluding verifiable sickness or illness. Excessive is consider to be two (2) or more unauthorized absences in a one (1) month period.
5. Leaving the assigned work site during a shift, without the permission of the immediate supervisor or manager, except for unpaid meal periods or unpaid break periods.
6. Eating in other than an authorized area designated by the company or the government.
7. Noncompliance with the company or government no-smoking policies or smoking in other than an authorized area designated by the company or the government.
8. Disrespect to management personnel.
9. Insubordination.
10. Name-calling or abusive language regarding sex, color, age, race, creed, disability, or national origin.

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Section D:

For a reprimand or discharge notice to be valid it must conform to all of the requirements of Section A, Section B, and Section C of this Article. Additionally, a valid reprimand or discharge notice must meet the following requirements:

1. All reprimands and discharge notices must be dated and issued within three days, or on the same day as the employee returns to work if more than three days.
2. Reprimands and discharge notices shall state the time, date, and policy that has been violated (i.e., company rules, Collective Bargaining Agreement, etc.).

Article VIII - Grievance Procedure

Section A:

A grievance is defined as a claim or dispute by the employer or employee or the Union concerning the interpretation of the application of this Agreement or of any local Addendum hereto.

Section B:

All grievances must be presented in writing and filed in accordance with the following exclusive procedure:

Step 1: The employee who has a grievance shall discuss it with the Project Manager either himself or with the Shop Steward. If the grievance is not settled at the Step 1 meeting, it may be appealed by the Union Representative to the Project Manager to Step 2 within ten (10) days of the Step 1 meeting. Company grievances shall be processed beginning with Step 2.

Step 2: The Union Representative and the Project Manager will discuss the grievance. If the grievance is not disposed of to the satisfaction of the party filing the grievance at Step 2, the grievance may be appealed to Step 3 by the party or the representatives of the party filing the grievance by filing a written appeal to the opposing party within ten (10) days after Step 2.

Step 3: Within ten (10) days after the appeal of the opposing party, the parties (the Company represented by the Company President and the Union represented by the Union Representative) will attempt to settle the grievance. The party being complained against shall render the party's decision - in writing - within ten (10) days of such meeting. If the grievance is not disposed of to the satisfaction of the complaining party the grievance may be appealed to arbitration by the Company or the Union lodging a written appeal with the other party within ten (10) days of receipt of such written decision.

Section C:

A grievance involving discharge of an employee shall be brought directly to Step 2 and must be filed within five (5) days of discharge. A copy of the grievance must be given (filed) to the Project Manager and to the Union.

Section D:

A grievance not involving discharge shall be without effect unless filed in writing within seven (7) days from the date the complaining party discovered the facts or should have discovered the facts giving rise to the grievance.

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Section E:

Shop Stewards shall be afforded time off without loss of pay to investigate, discuss, and present grievances. Such time shall be kept to a minimum.

Section F:

At any step of the grievance procedure, the Company or the Union may designate a substitute for the official designated herein, other than persons who have previously participated in such grievance. The officially designated representative of either party may be accompanied by two (2) other persons at any step of the grievance procedure except Step 1. The parties may mutually agree that further representatives may be present.

Section G:

The time limits set forth in this Article may be extended mutually in writing. Time limits are exclusive of Saturday, Sunday, and recognized holidays.

Article IX - Arbitration

Section A:

Within ten (10) days after the filing of the notice of the intent to submit the unsettled grievance to arbitration, the parties shall attempt to mutually select an impartial arbitrator. If the parties are unable to agree within five (5) days of that meeting upon the choice of an arbitrator, they shall request the Federal Mediation and Conciliation Service to submit a list of five (5) persons qualified to act as the impartial arbitrator. A representative of the Company and a representative of the Union shall meet within five (5) days of the receipt of the list and shall alternately strike two (2) names from the list, the party to strike first to be selected by lot. The fifth remaining person shall thereupon be selected as the impartial arbitrator.

Section B:

During the hearing, each party shall have full opportunity to present evidence and argument, both oral and documentary. The impartial arbitrator will render his finding and award in writing within thirty (30) calendar days after the conclusion of the hearing. The decision of the impartial arbitrator shall be final and binding. The impartial arbitrator shall have no authority to modify, amend, revise, add to or subtract from any terms or conditions of this Agreement.

Section C:

The fees of the arbitrator and necessary expenses, including transcript, if desirable, of any arbitration proceeding shall be borne equally by the Company and the Union except that each party shall pay the fees of its own counsel or representative. If an employee witness is called by the Company, the Company will reimburse him for time lost at his regular straight time base rate. If an employee witness is called by the Union or if an employee/grievant is present at the hearing, the Union will reimburse such personnel for time lost.

Article X - Military Leave

Section A:

Employees entering the military or naval service, Red Cross or other combat relief service or conscripted civil service of the United States during the life of this Agreement will be placed on

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Article XII - Bereavement Leave

Section A:

Employees shall be entitled to paid bereavement leave as set forth in the applicable local Addendum hereto

Section B:

In the instance of the death of a member of the immediate family of an employee, occurring after the completion of the employee's probationary period, the Company shall grant a paid leave annually to enable such employee to attend the funeral and otherwise assist in the burial of such member of the family. A day's pay shall consist of the employee's regularly scheduled hours for the days during which the Bereavement occurs, and shall be applicable only to those days within his regular work week. The term "Immediate Family" as used herein shall consist of the following members only: Mother, Father, Spouse, Children, Siblings, Grandparents and Grandchildren. No employee otherwise entitled to leave under this article shall receive such benefits unless he gives the Company reasonable notice before taking time off for bereavement purposes, and provides adequate documentation of his bereavement upon request of the Company.

Article XIII - Shop Stewards

Section A:

Shop Stewards shall be designated by the Union from the group they are to represent, and the Union will notify the Company of the duly designated Shop Stewards at each facility.

Section B:

The Shop Stewards shall not interfere with the management of the business or direct any work of any employee, but may advise the Company of any violations of the Agreement and also notify the employee participating therein.

Section C:

Shop Stewards will be afforded time, without loss of pay, to conduct Union business. Prior to leaving the work area, a shop steward will request permission from the supervisor. Shop Stewards will not leave the work area during rush hours.

Section D:

Shop Stewards shall be entitled to top seniority at the facility to the fullest extent allowed by law.

Section E:

A telephone will be made available to the shop stewards for the purpose of communicating with the Union. Such calls will be placed at no cost to the Company.

Article XIV - Rest Periods

Section A:

An employee who is scheduled to work for not less than four (4) continuous hours on a shift shall be entitled to one paid ten (10) minute unscheduled rest period during each four (4) hours or part.

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thereof. Rest periods shall not be taken at the beginning or end of a shift, nor shall they be taken together with the meal break.

Section B:

Employees shall be allowed a meal period of at least 30 minutes which commences no less than two (2) hours nor more than five hours from the beginning of each shift. If an employee is called back to work during a meal period he will receive payment for the entire meal period and receive another meal period as required by this section.

Article XV - Layoffs And Recalls

In the event of a reduction of force, the Company will give reasonable notice of layoff, under the circumstances, to the employees with the least seniority within the affected facility, and will recall employees in the reverse order, such recall to be by job classification. No new employees will be hired at any facility until all qualified laid-off employees at that facility have been recalled, and all qualified, laid-off employees at all facilities have been offered the position(s) involved. However, a laid-off employee from a facility other than the one in which the vacancy occurs may reject the offer, if it would require that employee to relocate, without loss of seniority and future right of recall.

Article XVI - Wages And Work Hours

Section A:

The schedule of the effective wage rates and job classifications for employees is set forth in the applicable local Addendum hereto.

Section B:

All employees covered by this Agreement will be paid for hours worked between the first of the month through the fifteenth of the month, on last day of the same month. Hours worked between the sixteenth of the month through the last day of the month will be paid on the fifteenth of the following month. When a scheduled pay day falls on a Saturday or Sunday all employees will be paid on the Friday prior. When a pay day falls on a holiday, all employees will be paid on the day prior to the holiday, except if such a holiday falls on a Saturday, Sunday or Monday, in which case all employees will be paid on the Friday prior.

Section C:

At no time will any member of the management staff be allowed to perform any work covered by this agreement.

Section D:

Each and every employee covered by this agreement will be provided with not less than two (2) hours continuous work per shift, or pay thereof.

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JB

Section E:

If at the request of management, an employee agrees to work temporarily in a higher paid job classification than his own, he shall receive the higher rate of pay during such periods. Employees who temporarily work in a job classification of a lower pay rate shall not be subject to any change in pay, but will continue to receive pay at their normal rate.

Article XVII - Overtime

Section A:

One and one-half (1½) times the hourly rate of pay will be paid for all time worked in excess of forty (40) hours per week.

Section B:

When a regular employee is called to work within two (2) hours of starting time of his next regular shift, he will receive four (4) continuous hours at the applicable rate, or pay thereof.

Section C:

A regular employee who has completed his shift, has left the Company property and is thereafter called for work at any time prior to two hours before his next scheduled shift, will be provided with four (4) continuous hours of work or pay thereof at the applicable rate.

Section D:

When an employee other than a security guard works in excess of eight hours continuously, he will be entitled to a ten (10) minute rest period at the completion of his regular shift, and another such rest period at the completion of his tenth (10th) consecutive hour if he is required to work beyond ten hours. On the same basis, similar rest periods will be provided after each additional two (2) hours worked. Such periods will be scheduled as near to the appointed time as practical, subject to the requirements of the service. In any event, all employees shall be guaranteed a minimum of eight (8) continuous hours of rest in any one twenty-four (24) hour period.

Section E:

Overtime work will be distributed among the employees qualified to perform the work as necessitating overtime within the appropriate crew or shift as equitably as practicable. Overtime lists will be made available to the Shop Stewards on request. The Company will give as much notice of overtime as practicable.

Section F:

No overtime will be worked except by prior direction of the supervisory personnel of the Company, except in case of emergency and when prior authority cannot be obtained.

Section G:

No employee will be compelled to work more than 8 hours in any one day or more than 40 hours in any one week, or more than 5 days in any one week.

Section H:

For overtime purposes, a day is the twenty-four (24) hour period beginning with the daily starting time as set forth in the Company's contract with the Government.

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Section I:

If the company requires that a shift be extended past the scheduled time, the company will first request for volunteers on that shift, in order of seniority. If there are not enough volunteers to cover the required shift the company will assign the shifts to employees in order of reverse seniority.

Section J:

Nothing herein shall be construed to require or permit the pyramiding of overtime or overtime pay.

Article XVIII - Health And Welfare

The company shall contribute to the ITPE Health and Welfare Plan benefits set forth in the applicable local addendum hereto, for all straight time hours worked plus all hours of paid vacation, holidays, and sick leave, for each and every employee covered by this Agreement.

In executing this agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE Health and Welfare Plan and any amendments duly adopted thereto.

The Company further agrees to be bound by all resolutions and other actions taken by the Board of Trustees of such plan.

Article XIX - Vacation

Section A:

Employees shall be entitled to paid vacations and paid leave as set forth in the applicable local addendum hereto.

Section B:

Vacations will not be accumulated from year to year, nor taken back to back. the employee may take his vacation in more than one segment with the consent of the Company. The employee will be paid at the rate current when vacation was due.

Section C:

An employee will receive an extra day's vacation or be paid an extra day's pay for a paid holiday which falls within his vacation period, in accordance with the provisions of Article XXI - Holidays.

Section D:

Vacations will be granted at times most desired by the employees in order of their seniority within their work shifts, but the final right as to the allotment and scheduling of vacation periods is reserved to the Company in order to assure the orderly operation of its business. Employees will apply, in writing, for vacation at least three weeks prior to the date vacation is desired. The Company will approve or disapprove all vacations within one week after such a request for vacation has been made. In the event that the Company denies an employee vacation time off the employee will have the right to receive pay in lieu thereof, on the next scheduled payroll period. A vacation period once assigned will not be canceled by the company, except with agreement of the employee.

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Section E:

Temporary layoffs or leaves of absence during the year will not interrupt the continuity of service for the purpose of eligibility for vacation, and shall be counted toward the required year for each vacation period.

Section F:

Vacation payments shall be based on the hours worked during the preceding normal work year and shall include all hours paid for vacation, sick leave, bereavement leave, jury duty, and holidays.

Section G:

Vacation will be calculated on the following basis: The total hours worked (to include time paid for holidays, vacation, sick leave, bereavement leave, jury duty) during the employee's previous employment year. This amount will be divided by the total full time factor of 2080 hours. The resulting figure will be multiplied by 40 hours. This will be the hours earned for each week of vacation that the employee is entitled to. For example, if an employee worked 7 hours per day, 5 days per week for a total of 1820 hours for the employment year, he would earn 35 hours of vacation for each week of vacation he is entitled to ($1820/2080 \times 40 = 35$).

Article XX - Sick Leave

Section A:

Sick leave will be paid as set forth in the applicable local Addendum hereto.

Section B:

All unused accumulated sick leave shall be paid to the employees at the end of the Government contract year, or contract period if less than a year, or the employee's termination for any reason. The employee will not be required to furnish a doctor's certificate in order to receive payment for sick leave.

Section C:

Employees shall only be required to provide a doctor's note after being absent from work for more than two days.

Section D:

Sick leave will be calculated on the following basis: total hours worked (to include time paid for holidays, vacation, sick leave, bereavement leave, jury duty) during each two month period. This amount will be divided by the total full time factor of 346.66 hours for the same two month period. The resulting figure will be multiplied by 8 hours. This will be the hours earned for sick leave for the same two month period. For example, if an employee worked 7 hours per day, 5 days per week for the months of March and April for a total of 315 hours, he would earn 7.27 hours of sick leave ($315/346.66 \times 8 = 7.27$).

Article XXI - Holidays

Section A:

Holidays for which every employee will be compensated at the hourly base rate of pay are set forth in the applicable local Addendum hereto.

Section B:

In computing the number of hours for which the average number of hours worked by an employee during the preceding normal work week bears to forty (40) hours shall be applied to eight (8) hours to determine the number of paid hours said employee is entitled to receive. For example, if an employee worked thirty (30) hours during the work week preceding the holiday week, his holiday pay would be computed by taking $\frac{3}{4}$ (30/40) of eight (8) hours and multiplying the resulting six (6) hours by his hourly base rate of pay.

Section C:

Any work performed on a holiday will be paid at the employee's regular rate of pay in addition to the holiday pay. If any of the named holidays fall on a non-working day, the employees shall either observe the holiday on the following working day or shall receive pay for their average number of hours normally worked in lieu of observance above their normal compensation for work performed.

Section D:

In the event that one of the holidays shall occur during the employee's vacation, the employee will receive an additional day of paid vacation, unless the employee and the Company agree that he may receive pay in lieu thereof.

Section E:

When the Company requires work of any shift on a holiday, the Company will first seek qualified volunteers for such work. If there are not enough volunteers for such work, the Company will select qualified employees to protect the work to be performed in reverse seniority; however, if too may volunteer, the Company will select qualified employees to protect the work in order of seniority.

Section F:

In order for an employee to qualify for a paid holiday, he must have worked his regularly scheduled work day immediately preceding the holiday and his regularly scheduled work day immediately following the holiday, unless excused by reason of illness, bereavement leave, or other good cause.

Article XXII - Pension

The company shall contribute to the ITPE Pension Plan benefits set forth in the applicable local addendum hereto, for all straight time hours worked plus all hours of paid vacation, holidays, and sick leave, for each and every employee covered by this Agreement.

In executing this agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE Pension Plan and any amendments duly adopted thereto.

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The Company further agrees to be bound by all resolutions and other actions taken by the Board of Trustees of such plan.

Article XXIII - Uniforms And Safety Equipment

Proper uniforms and safety equipment will be furnished and laundered by the Company without cost to the employee; provided, however, that the Company may require or permit employees to launder and maintain uniforms furnished by the Company. When any employee is required or permitted to launder and maintain Company furnished uniforms, he will be compensated in accordance with the provisions of the applicable local Addendum hereto. such payments shall not be for more that forty (40) hours per week for each employee.

Article XXIV - Jury Duty

An employee summoned to serve on a jury shall receive compensation as set forth in the applicable local Addendum hereto.

Article XXV - Individual Contracts

No employee shall be compelled or allowed to enter into any individual contract or agreement with the Company concerning the conditions of employment contained herein.

Article XXVI - No Strike-No Lockout

Section A:

During the term of this Agreement, the Union shall not authorize, cause, engage in, sanction, or assist in any work stoppage, strike or slow-down of operations.

Section B:

During the term of this Agreement, the Company shall not cause, permit or engage in any lock-out of its employees.

Section C:

The Company reserves the right to discharge or otherwise discipline any employee taking part in any violation of this provision of the Agreement.

Article XXVII - Picket Lines

Refusal of an employee to cross a bonafide picket line established by a labor organization claiming to have a dispute with the Company and approved by the Union, shall not be construed to be a breach of this Agreement. This provision is not applicable to security guards.

Article XXVIII - Employee Injury

An employee injured during working hours shall receive the rest of the day off without loss of pay, provided that the injuries are such that a doctor orders the employee not to return to work.

Article XXIX - Government Requirements

Section A:

The Union agrees to cooperate with the Company in all matters required by the United States Government, and the Union recognizes that the terms and conditions of the Agreement are subject to certain sovereign priorities which the United States Government may exercise. The Union agrees that any actions taken by the Company pursuant to a requirement of the United States Government shall not constitute a breach of this Agreement. Nothing in this Agreement shall be construed to prevent institution of any change prior to discussion with the Union where immediate change is required by the United States Government. The Company will, however, negotiate with the Union concerning the effects of any such change. The Union and the Company recognize, and will abide by Executive Orders 11246 and Title VII of the Civil Rights Act of 1964 and all related rules, laws, and regulations as amended.

Section B:

Pursuant to the Code of Federal Regulations and Wage and Hour Manual 93:10(BNA) from the Department of Labor, all meetings, lectures, and training programs mandated by the Company in which attendance is required as a condition of continuing employment, must be paid at the regular base rate for a minimum of two hours. (E.g. - Food Handler Certification meetings, Sanitation meetings, etc.) The Union agrees that any such meetings attended before employment begins are not payable by the Company.

Article XXX - General

Section A:

This Agreement and the local Addendum hereto, when accepted by the parties hereto and signed by the respective representatives thereunto duly authorized, shall constitute the sole agreement between them involving the employees covered by the Agreement. Any alterations or modification of this Agreement must be made by and between the parties hereto and must be in writing.

Section B:

In the event any provision of this Agreement or of any local Addendum hereto is declared invalid by any competent Court or Governmental agency on account of existing or future legislation, such invalidation shall not affect the remaining provisions of this Agreement and the local Addendum.

Section C:

Any employee leaving the service of the Company will, upon request from the employee, be furnished with a letter setting forth the Company's record of his job classification, stating his length of service and beginning and ending rate of pay.

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Section D:

Employees entering the service of the Company may be required to take a physical examination specified by the Company. any time thereafter, an employee may be subjected to further physical examinations during the course of his employment or recall to service after layoff or leave of absence.

Section E:

The Company shall provide bulletin board space at each facility for use by the Union.

Section F:

Company payroll records with respect to any employee in the unit whose pay is questioned will be provided upon request of the Union within a reasonable period of time, except for payroll records with respect to the current period with respect to such an employee, which may be examined by the Union upon request during business hours.

Section G:

Subject to the express limitations of this Agreement and any applicable local Addendum hereto, the Company retains the sole and exclusive right in its discretion to manage its business, to hire, discharge for cause, lay off, assign, transfer, promote or demote employees, to determine the starting and quitting time, to establish or discontinue or change operations, productions, or work standards or plant rules, provided, however, that with respect to any action which results in a change in established work rules, existing hours of work or the size of the work force, the Company shall give prior notice to the Union before taking such action on such matters. If the Company should make such changes without giving prior notice to the Union or without prior consent of the employees involved, the Company shall be held liable for any wages lost due to such changes. Nothing herein shall prevent individual employees, either alone, or with a Union representative, from consulting with Company representatives on problems relating to their individual work schedules.

Article XXXI - Working Conditions

Section A:

Employees will not be required or compelled to work in ambient temperatures below 40 degrees Fahrenheit for more than fifteen minutes per half-hour, adequate clothing will be provided in all such cases.

Section B:

Individual employees will not be required or compelled to lift in excess of 40 pounds without the aid of another employee. Furthermore, individual employees will not be required to lift more than 15 pounds above shoulder height.

Section C:

Employees will not be required or compelled to operate or use any equipment that is missing parts or has defective parts, of any kind.

Article XXXII - Duration

Section A:

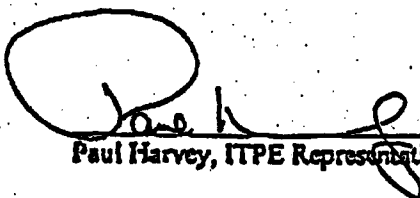
This Agreement shall become effective January 1, 2000 and shall continue in full force and effect until December 31, 2003, and shall renew itself each successive January 1 thereafter unless written notice of an intended change is served in accordance with the Labor Management Relations Act, as amended, by either party hereto at least 60 days but not more than ninety days prior to the termination date of the contract.

Section B:

For the purpose of negotiating changes in wages, group insurance contributions, sick leave, vacation and holidays, as well as changes in or the introduction of other fringe benefits for a covered facility, the parties shall meet on or about January 1 of each contract year. If the parties are unable to reach agreement by March 31 of each year, either party may terminate this Agreement upon ten days written notice to the other party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

FOR THE UNION: Industrial Technical And Professional Employees Union, AFL-CIO


Paul Harvey, ITPE Representative

1/3/99
Date

FOR THE COMPANY: Blackstone Consulting, Inc.


Ronald J. Blackstone, President

1/6/00
Date



Addendum

Whereas, Blackstone Consulting, Inc., (hereinafter, the "Company") and Industrial Technical and Professional Employees Union, AFL-CIO, (hereinafter, the "Union") have entered into an Agreement effective January 1, 2000 and

Whereas, the Union has been duly designated by the Company's non-supervisory employees at Marine Corp Air Station, Yuma, Arizona as their collective bargaining representative, and

Whereas, the aforementioned agreement provides for the Company and the Union to negotiate each year for changes in the Wages and Fringe Benefits for the above-named facility, and to enter into an Agreement setting forth those economic terms.

NOW THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

WAGES

Current:

Cashier	\$7.60
Food Sanitation Specialist II	\$7.60
Food Sanitation Specialist I	\$7.09
Lead Worker	\$9.71
Pot & Pan Washer	\$8.06
Vegetable, Meat & Salad Preparer/Salad Maker	\$8.06
Dinning Facility Leader	\$11.76

Company shall have the right to hire not more than ten (10%) percent of its total "new hire" Food Sanitation Specialist I work force for a training program. A "new hire" employee shall be placed in the classification of Food Sanitation Specialist I for a period not to exceed thirty days. Upon completion of this training period, the employee shall be advanced to the classification of Food Sanitation Specialist II. A "new hire" is an employee who has not worked at this federal facility, with any predecessor or current contractors.

HEALTH AND WELFARE

Current:

The Company shall contribute to the ITPE Health and Welfare Plan the sum one dollar and sixty-three cents (\$1.63) per hour for all straight time hours worked plus all hours of paid vacation, holidays, and sick leave, for each and every employee covered by this Agreement.

In executing this agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE Health and Welfare Plan and any amendments duly adopted thereto. The Company further agrees to be bound by all resolutions and other actions taken by the Board of Trustees of such plan.

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Contributions For Family or Medical Leave. The Company shall contribute one dollar and sixty-three cents (\$1.63) per hour to the ITPE Health and Welfare Plan on behalf of any employee who is on a family or medical leave of absence under the federal Family and Medical Leave Act. In order to be eligible for such contributions, an employee must have worked for the Company or its Predecessor at the Base for a total of at least twelve (12) months and for at least 1,250 hours in the twelve (12) month period preceding the period of family or medical leave. In no event shall contributions for family or medical leave exceed a period of twelve (12) weeks per employee in any calendar year. the hours of contributions for each week of family or medical leave shall be calculated by determining the average weekly hours worked by the employee during the twelve (12) week period preceding family or medical leave, including all hours during said period of paid vacation, holiday and or sick leave.

PENSION

Current:

The Company shall contribute to the ITPE Pension Plan the sum of Fifty (\$0.50) cents per hour for all straight time hours worked plus all hours of paid vacation, holidays, and sick leave, for each and every employee covered by this Agreement.

In executing this agreement, the Company agrees to be bound by the terms and conditions of the Agreement and Declaration of Trust establishing the ITPE Pension Plan and any amendments duly adopted thereto. The Company further agrees to be bound by all resolutions and other actions taken by the Board of Trustees of such plan.

VACATIONS

Current:

After one (1) year of service, two (2) weeks of vacation.
After five (5) years of service, three (3) weeks of vacation.
After ten (10) years of service, four (4) weeks of vacation.

The term "hours previously worked" shall include hours of vacation and holidays. Length of service includes the whole span of continuous service with the present (successor) contractor, wherever employed, and with the predecessor contractors in the performance of similar work at the same federal Facility.

Vacations will not be accumulated from year to year, nor taken back to back. If the company consents, the employee may elect not to take his vacation, in which case he will receive pay in lieu thereof on the anniversary dated of his employment. the employee may take his vacation in more than one segment with the consent of the Company. the employee will be paid at the rate current when the vacation was due. Vacation will be granted at times most desired by the employees in

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order of their seniority within their work schedule, but the final right as to allotment and scheduling of vacation periods is reserved to the Company in order to assure the orderly operation of its business. Except in case of emergency, a vacation period once assigned will not be canceled by the Company except with agreement of the employee.

Temporary layoffs or leaves of absence during the year will not interrupt the continuity of service for the purpose of eligibility for vacation, and shall be counted toward the required year for each vacation period. In computing the number hours for which an employee is entitled to compensation at the hourly base rate of pay, the proportion which the average number of hours worked by an employee during the preceding year bears to 2080 hours shall be applied to 40 hours to determine the number of paid hours said employee is entitled to receive per each week of vacation. For example: each week of vacation pay would be computed by taking 1560/2080 of 40 hours and multiplying the resulting 30 hours by his hourly base rate of pay. Hours worked for the preceding year shall include all hours paid for vacations and holidays.

HOLIDAYS

Current:

- | | |
|--|-------------------------|
| 01. New Years Day | 07. Labor Day |
| 02. Martin Luther King, Jr.'s Birthday | 08. Columbus' Day |
| 03. Presidents' Day | 09. Veterans' Day |
| 04. Memorial Day | 10. Thanksgiving Day |
| 05. Independence Day | 11. Christmas Day |
| 06. Employee's Birthday | 12. Day After Christmas |

Full-time, part-time, weekend, and on-call employees will be compensated for the above holidays. In computing the number of hours for which an employee is entitled to compensation at the hourly base rate of pay, the proportion which the average number of hours worked by an employee during the preceding normal work week bears to forty (40) hours shall be applied to eight (8) hours to determine the number of paid hours said employee is entitled to receive. For example: work week preceding the holiday week, his holiday pay would be computed by taking $\frac{3}{4}$ (30/40) of eight (8) hours and multiplying the resulting six (6) hours by his hourly base rate of pay.

Any work performed on a holiday will be paid at the employee's regular rate of pay in addition to the holiday pay. If any of the named holidays fall on a non-working day, the employee either observe the holiday on the following working day or shall receive pay for their average number of hours normally worked in lieu of the observance above their normal compensation for work performed.

In the event that one of the holidays shall occur during the employee's vacation, the employee will receive an additional day of paid vacation, unless the employee and the Company agree that he may receive pay in lieu thereof. When the Company requires work on any shift on a holiday, it shall post a notice of such requirements at least seven (7) days prior to that holiday. Said notice shall provide space for the signatures of volunteers for such work. If not enough qualified volunteers sign said notice within three (3) days after posting, the Company shall select qualified employees in

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reverse seniority to protect the work to be performed. However, if too many employees volunteer, the Company shall select qualified employees in order of seniority to perform the work. In order for employee to qualify for a paid holiday, he must have worked his regularly scheduled work day immediately preceding the holiday and his regularly scheduled work day immediately following the holiday, unless excused by reason of illness, bereavement leave, or other good cause.

SICK LEAVE

Current:

All employees shall accrue Sick Leave at the rate of one (1) day of sick leave for every two (2) months worked, not to exceed six (6) days per year. All unused accumulated sick leave shall be paid to the employees at the end of the Government contract year or contract period if less than one year, or the employee's termination for any reason. An employee will only be required to provide proof of illness after being absent from work for more than two consecutive days. Each day of sick leave will be based on the average hours worked by the employee, in the two month period in which the sick leave was earned.

JURY DUTY

Current:

Employees who are called for Jury Duty and serve as Jurors on regularly scheduled work days shall be paid the difference between the amount received for such service and their basic hourly earnings, not to exceed eight hours per day or forty hours in any one week, up to a maximum of 80 hours per contract year. To be eligible for Jury Duty payment the employee must give notice of his summons to the company as soon as possible, provide adequate proof of dates, time served, and compensation received.

BEREAVEMENT LEAVE

Current:

In the instance of the death of a member of the immediate family of an employee, occurring after the completion of the employee's probationary period, the company shall grant a paid leave not to exceed three (3) days annually to enable such employee to attend the funeral and otherwise assist in the burial of such member of the family. A day's pay shall consist of the employee's regularly scheduled hours for the days during which the bereavement occurs, and shall be applicable only to those days within his regular work week. The term "Immediate Family" as used herein shall consist of the following members only: Mother, Father, Spouse, Children, Siblings, Grandparents and Grandchildren. No employee otherwise entitled to leave under this article shall receive such benefits unless he gives the Company reasonable notice before taking time off for bereavement purposes, and provides adequate documentation of his bereavement upon request of the Company.

ATTACHMENT VIII

RESERVED

ATTACHMENT IX

RESERVED

ATTACHMENT X

MEMORANDA OF UNDERSTANDING

**USMC AND DEFENSE SUPPLY CENTER –
PHILADELPHIA**

**USMC AND COMMITTEE FOR PURCHASE FROM
PEOPLE WHO ARE BLIND OR SEVERELY
DISABLED**

In order to view the document(s) cited above in electronic format follow the instructions below to access the documents on the Headquarters, Marine Corps website. You will also need to have Acrobat Reader software on your machine in order to open the files on the website.

Click on the site below. When you reach the screen that says "Welcome to Management and Oversight Branch" click on "Other Documents" Tab located above those words. If the Tab bar is not immediately visible on the screen place the pointer above the "Welcome" and hold down the left mouse button and drag it downward. This should bring up the tab bar. Once you see the tab bar double click the "Other Documents" tab. This should bring up the list of hyperlinked documents. Select "Attachment X-MOU-WC-Links". This will bring up the icons for each document.

<http://www.hqmc.usmc.mil/LBWeb.nsf/MainB?OpenFrameset>

..\Linked documents\AT X-MOU-EC-WC.pdf

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE U. S. MARINE CORPS AND
THE COMMITTEE FOR PURCHASE FROM PEOPLE
WHO ARE BLIND OR SEVERELY DISABLED
REGARDING
THE PLACEMENT OF MARINE CORPS FOOD SERVICE REQUIREMENTS ON THE
PROCUREMENT LIST UNDER THE JAVITS-WAGNER-O'DAY ACT**

1. The purpose of this Memorandum of Understanding is to document agreement on a framework for the acquisition of Marine Corps food service requirements under the Javits-Wagner-O'Day (JWOD) Program, in order to facilitate the regionalization of Marine Corps food service contracts.
2. The Marine Corps acquisition plan consolidates current food service contracting into two regional efforts, with one contract for East Coast bases and one contract for West Coast bases. The Marine Corps is now in the final process of drafting the statements of work and anticipates that the solicitations will be released prior to 1 November 1999, with a target award date of 15 June 2000 for both contracts and performance scheduled to begin 1 October 2000.
3. In order to finalize clear statements of work suitable for competition, and to assist offerors in their efforts to develop realistic proposals, the Marine Corps must articulate all Government requirements, to include constraints placed on offerors in formulating their subcontracting plans. The statements of work must make clear to offerors the number and locations of messhalls which are set aside on the Procurement List for JWOD Non-Profit Agencies (NPAs), as well as the nature of the services to be performed by those agencies at each location. In doing so, we will stabilize this element of the competitive process and streamline contract management for the life of the initial regional contracts.
4. It is therefore agreed that the solicitations and resultant contracts will contain provisions mandating that the messhalls set forth on the attached list, with the associated types of services stated, will be set aside to be subcontracted to JWOD NPAs. In addition to the nine messhalls currently serviced by JWOD NPAs, the attachment reflects the prospective placement of nine more Marine Corps messhalls on the Procurement List, for a total of 18.

5. It is understood and agreed that the extent of the services to be performed by the JWOD nonprofit agency at each site will be determined in conjunction with the Prime Contractor. At a minimum, messhalls listed on the attachment will have Mess Attendant functions performed by the JWOD nonprofit agency. When the messhall listed on the attachment has been placed on the Procurement List as a full food service location, those food preparation functions that can be performed by persons with severe disabilities will be subcontracted to the nonprofit agency. Management responsibilities normally associated with the term full food service may, at the discretion of the prime, also be subcontracted to the nonprofit agency. The Committee, in consultation with NISH and the Marine Corps, will resolve any concerns regarding the capabilities of the nonprofit agency.

6. It is also agreed that, should the Marine Corps desire additional messhalls be placed under JWOD coverage during the term of the contract, beyond the 18 cited, the parties may agree to place such messhalls on the Procurement List. The Committee for Purchase from People Who Are Blind or Severely Disabled and the United States Marine Corps agree that, effective immediately, any additional Marine Corps messhalls placed on the Procurement List will not be performed by a designated JWOD NPA until the conclusion of the initial contract period and option years, unless the Marine Corps or the prime contractor requests NPA performance prior to the end of the initial contract and option years.



BEVERLY MILLMAN
Executive Director
Committee for Purchase from
People Who Are Blind or
Severely Disabled



JOSEPH H. JEU
Head, Services Branch
Facilities and Services Division
Installations and Logistics
Department

10/7/99

Date

OCT - 5 1999

Date

USMC MESSHALLS CURRENTLY OPERATED BY NISE

<u>LOCATION</u>	<u>SERVICES PROVIDED</u>	<u>CONTRACTOR</u>
MCB QUANTICO		FAIRFAX OPPORTUNITIES UNLIMITED
Messhall 2000	Full Food Service	
Messhall 27219	" " "	
Messhall 24002	" " "	
Messhall 2109	" " "	
Messhall 24165	" " "	
MCAS NEW RIVER		COASTAL ENTERPRISES
Messhall 4012	Mess Attendant Services	
MCAS CHERRY POINT		CETC EMPLOYMENT OPPORTUNITY INC.
Messhall 3451	Mess Attendant Services	
HQBN HENDERSON HALL		FAIRFAX OPPORTUNITIES UNLIMITED
Messhall 25	Full Food Service	
MCAS BEAUFORT		GOODWILL INDUSTRIES OF LOWER SOUTH CAROLINA
Messhall 442	Mess Attendant Services	

USMC MESSHALLS BEING CONSIDERED FOR PROCUREMENT LIST

<u>LOCATION</u>	<u>SERVICES PROVIDED</u>
CAMP ALLEN	
Messhall MCA 602	Full Food Service
MARINE CORPS BARRACKS; 8 TH & I STREETS, SE; WASHINGTON, DC	
Messhall (Unnumbered)	Full Food Service
MCRD SAN DIEGO	
Messhall 620	Full Food Service
Messhall 569	" " "
MCB CAMP PENDLETON	
Messhall 31611	Full Food Service
Messhall 210702	" " "
Messhall 62502	" " "
Messhall 53502	Mess Attendant Services
Messhall 22186	" " "

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE U. S. MARINE CORPS AND
THE DEFENSE SUPPLY CENTER PHILADELPHIA**

1. The purpose of this Memorandum of Understanding is to document agreement on the ability of Marine Corps regional food service contractors to procure subsistence from DSCP. In addition, DSCP will authorize the use of DSCP's Food Service equipment Prime Vendor and the use of the SPV contract for non-food products.
2. The Marine Corps acquisition plan consolidates current food service contracting into two regional efforts, with one contract for East Coast bases and one contract for West Coast bases. The Marine Corps is now in the final process of drafting the statements of work and anticipates that the solicitations will be released January 2000, with a target award date of July 2000 for both contracts and performance scheduled to begin October 2000.
3. In order to finalize clear statements of work and to ensure receipt of realistic offers with maximum competition, the Marine Corps must articulate all Government requirements, to include the sourcing of subsistence. The statements of work must make clear to offerors the mechanism by which they may procure subsistence through a Government contract and the financial implications of such an approach. In doing so, we will remove any question as to the legality of private contractors utilizing Government procurement contracts, and clearly define the costs associated with doing so.
4. It is therefore agreed that the solicitations and resultant contracts will contain provisions requiring the offerors to utilize DSCP Prime Vendor as the mandatory source of food products under the regional food service competitions. Market ready items, normally obtained through local purchase, continue as authorized exceptions to the DSCP sourcing requirement.
5. DSCP will revise the Subsistence Prime Vendor (SPV) Contracts to address the change in workload and obtain reduced distribution fees, estimated to be an 8-10% reduction, for the products provided under this program. Additionally, DSCP will provide monthly reports on savings obtained under the National Allowance Program and under any other central programs completed for the Marine Corps. DSCP will provide a contract specialist at no cost to the Marine Corps to assist in the contract process.
6. It is also agreed that use of the DSCP Prime Vendor Contracts, by Marine Corps contractors acting in accordance with the provisions of the Regional Mess Contracts, will not directly result in the obligation of government subsistence funds. The resultant Regional Mess contractors will reimburse DSCP directly for any food obtained under their contracts.



CAPT DOUG SWEENEY, SC, USN
Commander, Subsistence Field Activities
and Director, Subsistence
Defense Supply Center Philadelphia

2/1/00

Date



JOSEPH H. JEU
Head, Services Branch
Installations and Logistics Department
Headquarters, U.S. Marine Corps

JAN 19 2000

Date

ATTACHMENT XI

**WEST COAST BASE/STATION MARKET-
READY ITEM MATRIX**

In order to view the document(s) cited above in electronic format follow the instructions below to access the documents on the Headquarters, Marine Corps website. You will also need to have Acrobat Reader software on your machine in order to open the files on the website.

Click on the site below. When you reach the screen that says "Welcome to Management and Oversight Branch" click on "Other Documents" Tab located above those words. If the Tab bar is not immediately visible on the screen place the pointer above the "Welcome" and hold down the left mouse button and drag it downward. This should bring up the tab bar. Once you see the tab bar double click the "Other Documents" tab. This should bring up the list of hyperlinked documents. Select "Attachment XI-MKTRDY-WC-Links". This will bring up the icons for each document.

<http://www.hqmc.usmc.mil/LBWeb.nsf/MainB?OpenFrameset>

..\Linked documents\AT XI Mkt-Ready WC.pdf

WEST COAST BASE/STATION MARKET-READY ITEM MATRIX

COMMAND	ITEM	DSCP (Via STORES)	LOCAL SOURCE	PHONE NUMBER	CONTRACT NUMBER
MCAS MIRAMAR, CA	All items through DSCP/STORES	X	N/A	N/A	N/A
MCAS YUMA, AZ	Carbonated Beverages	N/A	Coca Cola	404-676-7460	M62974-00-D-40001
	Non-Carbonated Beverages	N/A	Diversified Ventures, Inc	888-697-9225	M62974-99-D-4017
	All other items through DSCP/STORES	X	N/A	N/A	N/A
29 PALMS, CA	All items through DSCP/STORES	X	N/A	N/A	N/A
MCB CAMP PENDLETON, CA	All items through DSCP/STORES	X	N/A	N/A	N/A
MCRD SAN DIEGO, CA	BOOST (Liquid Dietary Supplement)	N/A	Mead Johnson	800-457-3550	Customer Number 1048083
	All other items through DSCP/STORES	X	N/A	N/A	N/A

* Market-Ready items procured through DSCP are dairy, bread and ice cream products.

ATTACHMENT XII

PRE-AWARD QUESTIONS AND ANSWERS

PRE-AWARD QUESTIONS AND ANSWERS

1. Q. Please clarify the number of proposals required. Standard Form 33 indicates Original and 6 copies. L.8.4 indicates 6 copies of Technical and Price proposals. Is it 6 or 1 original plus 6?

A: The number of proposals required is one original and six copies each of the Technical and Cost proposals. We will revise L8.4 to bring it in line with the SF33.

2. Q: B.3.3 - CLIN'S for Preventive Maintenance (PM) - Are we to provide one monthly fixed rate to provide PM for all messhalls included in the solicitation?

A: Yes, a single total monthly PM rate is required.

3. Q: B.3.4.3 - CLIN's for repair parts. Are all of these CLIN's to be left blank?

A: Yes, leave all dollar amounts for Repair Part CLINs blank.

4. Q: Page C1EC4 of 21 - Various references to other proposal sections appear to be incorrect:

C1.5.1.1-6. - Refers to Section C1.7 for training. C1.7 is Safety Compliance

C1.5.1.1-7. - There is no C.4.1.7

C1.5.1.1.1 - Second paragraph refers to C4.4.1 which is incorrect

A: Training requirements are listed in paragraph C1.5.1.1.2 on Page C1EC5 of 21 vice C1.7.

C1.5.1.1-7 - reference to paragraph C4.1.7 is being deleted.

C1.5.1.1.1 - the correct paragraph reference should be C4.1

5. Q: C1.5.1.1.2 Employee Training. What are the Technical Proposal Requirements for this area? Is this covered under C1.5.1.1 number 6?

A: There are no Technical Proposal Requirements for the area of Employee Training. Paragraph C1.5.1.2 on Page C1EC5 of 21 lists all specific training requirements that the Offeror must successfully meet. Addressing the Technical Requirements issue in general, if a paragraph/section of the RFP **does not** contain a specific Technical Proposal Requirement subparagraph identified by an (*) then there are no specific responses required by the Offerors for that service or requirement. Refer to paragraph L.8.3 of Section L, page L-10 (of 17) for additional instructions.

6. Q: C1.5.1.3 Contractor's Quality Control Plan - The Performance Requirement Summary (PRS) to be included as Technical Exhibit 1 (TE1a-TE1c) are critical to developing our plan. Please issue as soon as possible.

A: Technical Exhibit 1 (TE1) - Performance Requirements Summaries (PRS's) will be released as an amendment at a later time. Although PRS's are capsulated versions of contract requirements and could be viewed as relating to an Offeror's Quality Control (QC) Plan, emphasis on the plan criticality should focus on Section C of the RFP for the Offeror's QC Plan development and not solely on the PRS's.

7. Q: C1.5.1.4.2.1 - We understand that there have been discussions about the issue of contract status and end of contracts at several base locations. Please provide any changes from what was published.

A: Contract expiration dates and contractors different from those cited in C1.5.1.4.2.1 are as follows:

Camp Pendleton	- Speedy, TMI and/or	
	Moore's Cafeteria Services	30 SEP 2000
29 Palms	- DEW Management Services	30 SEP 2000
Yuma	- Blackstone Consulting, Inc	30 NOV 2000

8. Q: We are certain that there will be updated information forthcoming on how the Small Business Plan needs to be addressed as required in C1.5.2.

A: See answer to Question #106.

9. Q: Are there any Technical Proposal Requirements for C1.7 through C1.22? If not listed as response requirements, do we have to address and acknowledge these paragraphs?

A: Offeror's do not have to specifically address how they will fulfill RFP paragraphs without Technical Proposal Requirements identified by an asterisk. However, the Offeror must acknowledge that they fully understand and will successfully comply with all stated requirements including those without specific Technical Proposal Requirements. Refer to answer to Question #5 above for more information.

10. Q: C3.5.1 - for M&MA Messhalls Matrix (Section C5B) - Page C3EC5 of 9. Does the contractor slice deli meats? What sanitation and housekeeping tasks do Marine Cooks perform in the kitchen, i.e. counters, floors, equipment, etc?

A: As annotated in the matrix for the contractor to perform, "Deli Bar menu item preparation and replenishment" **does** include slicing of deli meats and is the responsibility of the Contractor. Regarding M&MA Messhall Matrix (Section C5B) Marine cooks working in M&MA messhall galleys and other food prep areas will be responsible for cleaning counters, floors, equipment, etc.

11. Q: C4.1.1- Mandatory Use of Government-Furnished Subsistence Sources. Based on this requirement, we will need to be fully briefed on the Prime Vendor Program, as managed by DSCP, and receive all product listings and current pricing from all regional contracts, as well as the same on fresh fruits and vegetables from Defense Subsistence Offices, etc. Please provide information on any markups/changes from DSCP or other agencies.

A: DSCP will provide Prime Vendor and Defense Subsistence Office (DSO) subsistence pricing and information for this RFP. DSCP provided a brief and points of contact during the pre-proposal conference and DSCP will follow-up with appropriate pricing catalogs upon request.

12. Q: Will there be a provision for the contractor to source "advance food technology" products from suppliers and/or centralized production facilities and resources that are not currently in the Prime Vendor Program?

A: Yes. If offerors identify products from producers not currently in the Prime Vendor program, those items can be added to the Prime Vendor catalog, or, if applicable, they may be part of the market ready items procured independent of the Prime Vendor program.

13. Q: C5.12-General Service Tasks for All Specialty Bars. Throughout this section (C5.12.1.1 - C5.12.1.11) there are sections that have Technical Proposal Requirements and others that don't. Please clarify required responses. Also some parts of C5.12.1.4 for Taco Bar Service do not apply and/or are mislabeled.

A: Refer to Technical Proposal Requirement response provided at Question #5, above. In reference to C5.12.1.4 for Taco Bar service, the Government will provide corrected Taco Bar service paragraphs in a forthcoming amendment.

14. Q: What is the evaluation expectation for providing responses for several different paragraphs and/or sections that ask for the same or similar information. For example, C5.8.1 on page C5EC 5 of 37 and C5A.4.1 on page C5AEC2 of 6 ask for the same responses. There are several additional similar requirements. What are we required to do?

A: Technical Proposal Requirement responses for several different paragraphs and/or sections that address identical requirements may be handled in either one of two ways. As an example, the offeror may begin the Technical Proposal Requirement response by stating "The following Technical Proposal Requirement response applies to both paragraphs C5.8.1 and C5A.4.1". Or, secondly, the offeror may choose to address each one separately. Either way is acceptable to the Government and will be evaluated identically. Omitted or less than satisfactory responses will, of course, be evaluated/scored accordingly.

15. Q: Pages H-3 and H-4 - Not all NISH designated messhalls are identified.

A: The list of messhalls designated for NISH services are updated in revised paragraph H.5, attached.

16. Q: Attachment VII - Collective Bargaining Agreements - The agreement for the union at Camp Lejeune does not include an addendum with wage rates as page 15 indicates.

A: The addendum is attached.

17. Q: L.9 on page L-11. - Volume I, is an original plus one copy required? Is a completed DD Form 1707 required to be submitted? Other than Section K (Reps & Certs), what is Contract Administration Data, referred to in this paragraph?

A: Original (no additional copies) sufficient. The SF33 and Section K are the executed documents required. The 1707 need only be completed and returned if the firm is not submitting a proposal (see instructions at top of form).

18. Q: L.11.2.1.1.1-Subsistence Sourcing Plan. Are the requirements of the paragraph still valid based on the required use of Prime Vendor Program through DSCP and other Government purchasing programs?

A: Each offeror must provide a Subsistence Sourcing Plan under the provisions listed in the RFP. The Government understands that the sourcing of subsistence and fresh fruits and vegetables through DSCP is somewhat of a moot point. However, the Contractor must still source locally procured (market ready items) either regionally or locally and provide an entire plan encompassing all aspects of subsistence sourcing. Additionally, the plan shall address issues such as subsistence quality and transportation/distribution processes.

19. Q: Messhall 31611 - The Weekend Headcount TE - Only reflects 2 meal periods when 3 meals are listed in hours of operations. The Weekend Headcount TE - The totals given are more like a daily average vs a monthly average.

A: Messhall 31611 serves two categories of customers: recruits who receive three meals a day, seven days a week; and permanent personnel, who eat breakfast brunch and dinner brunch on weekends. The meal totals given in TE2 for this messhall are correct, as there are limited numbers of permanent personnel assigned who only eat the breakfast/ brunch or dinner/brunch.

20. Q: Field Feeding TE - There is an off-site "warrior breakfast" every Thursday not captured - this requirement is quite extensive and must be clarified. - Who sets up tents? Vehicle requirements? Travel times? Menu requirements? Dishware?

A: Contractors are only required to cook and prepare the meals/food for transport to include proper packaging for shipment. The Government is responsible for transportation of the meals/food, serving of food, and preparation of the field messing site. Contractor personnel are not required to perform service tasks at remote field sites.

21. Q: Field Feeding TE - There are requirements for box lunches/field messing not indicated

A: Every messhall may be required to provide box lunches and prepare meals for transport to the field. Normally, those meals are counted as regular meals fed, and not recorded separately. Because of that policy, some messhalls are unable to provide a historical record of box lunches and field meals served.

22. Q: Marine Corps cook phase out - We need a detailed plan of what role/duties they will perform and actual dates phased out (i.e. Aug 2001 - 10 cooks gone, Sept 2001 - 11 more, etc.)

A: All Marine cooks will be withdrawn from each individual messhalls within 90 days after the Contractor begins service in that messhall. Under no circumstances will Marines remain in full food service messhalls longer than 90 days from Contractor start-up at the messhall.

23. Q: Messhall 53502 - Listed as Bldg. 33502 in Section C1 page 8 and Listed as Bldg 33502 in the Marine Corps manning phase out.

A: These are two different messhalls. Additionally, Messhall 33502 will be replaced with Messhall 33302, which are the same size, square footage and configuration as Messhall 33502.

24. Q: Field Feeding TE - There are requirements for box lunches/field messing not indicated. Messhall 62502 - Listed as FFS on JWOD set-aside sheet, but M&MA on TE.

A: Part 1 answered in Question #21, above. Messhall 62502 is an M&MA messhall.

25. Q: Field Feeding - There are requirements for box lunches/field messing not indicated. Messhall 22186 - Presently has a midnight meal not listed and is not sure if requirement will be present in Oct 2000.

A: Part 1 answered in Question #21, above. Messhall 22186 is currently providing this support due to Messhall 2403 being closed for renovation. However, Messhall 2403 is scheduled to re-open (Oct/Nov 00) before the contract start date.

26. Q: Field Feeding TE - There are requirements for box lunches/field messing not indicated. Messhall 210702 - Hours of operation - Meal/Actual.

A: Part 1 answered in Question #21, above. Hours have been verified with Camp Pendleton and remain as originally identified in the RFP (TE2).

27. Q: Field Feeding TE - There are requirements for box lunches/field messing not indicated. Messhall 569 - Headcount TE - No counts for weekend feeding.

A: Part 1 answered in Question #21, above. Messhall 569 is a recruit training messhall and therefore serve three meals a day, seven days a week unlike non-recruit messhalls. Recruit headcounts differ very little from weekdays to weekends.

28. Q: Marine Corps cook phase out - We need a detailed plan of what role/duties they will perform and actual dates phased out (i.e. Aug 2001 - 10 cooks gone, Sept. 2001 - 11 more, etc.)

A: Previously answered in Question #22, above.

29. Q: We would like a headcount range that would dictate the amount of decks required (i.e. 50,000 and below = 2 decks/1 scullery).

A: Messhall managers open and close serving lines and mess decks (dining areas) as required to support the command training schedule. No historical record exists of these schedule changes. This is a situational response to headcounts and patron flow and is at discretion of the Mess Managers based upon a number of logistical support factors. Contractors will have the same latitude to close serving lines and mess decks as the situation dictates as long as patron flow rates stated in the RFP/contract are maintained and customer service is not compromised.

30. Q: We can economically price this by decks if a history/guidance could be provided.

A: Previously answered in Question #29, above.

31. Q: Messhall 620 - Marine Corps cook phase out. We need a detailed plan of what role/duties they will perform and actual dates phased out (i.e. Aug. 2001 - 10 cooks gone, Sept. 2001 - 11 more, etc.)

A: Previously answered in Question #22, above.

32. Q: There is a requirement for outside Bar-B-Q facility every Thursday during the summer months not captured in the TE.

A: This is usually an outside cooking medium, although in some cases, the entire meal may be served outdoors. If the requirement is not captured in the TE or Section C6 of the RFP, it does not exist. Commands have come to enjoy and expect such "extra" or "special" services from their traditional Marine-managed messhalls. Under the contracting scenario, Commanders and contractors will have to negotiate the "special" services. In many cases, simply cooking or serving outside may not be more costly, as it only replaces the normal inside dining service. These "special" meals usually draw larger crowds. Since this contract is priced per meal served, such special services may be an advantage to the Contractor by the larger headcounts.

33. Q: Section C5.2 Minimal manning (management) language - how will this be addressed in the amendment?

A: There is no mention in this Amendment of minimal management language. The current RFP states the requirement.

34. Q: Equipment maintenance starts after 12 months - is there a contract in place that will provide equipment maintenance and repair during this time frame?

A: With the exception of 29 Palms, CA, which has a separate maintenance contract, there are **no** existing Government contracts for Maintenance and Repair (M&R) of Food Preparation and Serving Equipment (FPSE). The Government will continue to maintain the equipment with in-house resources until such time as the Contractor transitions to the maintenance and repair of FPSE. The Contractors FPSE M&R responsibilities will begin in FY02 (October 2001).

35. Q: CLIN 0002AA - ¼ hour rates for extended services - Since each messhall operates at varied manning requirements while the lines are open (i.e. 2 lines/1 scullery Vs 4 lines/2 sculleries) how are we to provide a standard cost? Will the prime be taking the highest cost to provide a cushion?

A: Our experience has shown that by providing an estimated total of quarter hours (CLIN in Section B) the Contractors in turn develop pricing by ¼ hour for generic/typical services. The onus is on the Contractor to determine how best to price these requirements across on the entire system.

36. Q: C3.7.14 - Please identify those messhalls where office or storage space will not be provided for contractor operations.

A: All messhalls will have office and storage space provided for contractor usage.

37. Q: C5.10.1 - Do we need to have appointment letters if we provide and control petty cash for cashiers?

A: There is no longer a requirement for Contractors to have appointment letters for cashiers, since the contractor assumes full responsibility for funds generated from the sale of meals in the messhalls.

38. Q: C5.14.1 - Please provide a copy of TE8 as referenced in paragraph C5.14.1.

A: There is no TE8. Reference to it should be changed to read "TE4".

39. Q: C5.4, C2.1.82 - Is the contractor charged for forced issue items?

A: No. If subsistence is force issued from the Government to the Contractor, there will not be a charge, only an inventory document. As a matter of information, the Government normally "force issues" various components of operation (field) rations that are excess to field messhall operations. These items cannot be returned to the originating source and must be consumed to preclude a financial loss to the Government. Typically these are bulk items such sugar, coffee, rice, condiments, etc. As issuance of forced issued rations is situational based upon field exercise schedules the offeror's should not consider these non-chargeable rations in there pricing strategies.

40. Q: C5.4 - Will the USMC provide us with software and hardware for STORES?

A: DSCP will provide the hardware and software for STORES since it is their system.

41. Q: C5.9.2.A - Please clarify what types of assistance may be verbally requested as stated in C5.9.2.a?

A: The verbal request for assistance in this regard occurs when the Government vehicle driver asks the Contractor for the special meals as previously requested by the Government. The Contractor is then required to retrieve meals from the storage and/or preparation areas and move them to the messhall loading dock for loading by Government personnel onto Government vehicles.

42. Q: C5C3.2.1 - It is our understanding that pre-service Corrections Training is required before a contractor employee can work in a Brig Messhall. Is this correct?

A: No. Contractor personnel may work in Brig messhalls prior to receiving Government provided pre-service training. The only drawback is that Contractor personnel will not be able to train "prisoner cooks" under the Apprenticeship Program in the performance their

duties until they have successfully completed the pre-service training. The Government will schedule pre-service training soonest for all contractor personnel.

43. Q: When does the Marine Corps expect to schedule Brig-related and Pre-Service Corrections training?

A: The Government will provide pre-service training shortly after the contractor assumes operational control of the Brig messhall. This will be coordinated with the respective Brig Officer and Contractor mess manager at a later date.

44. Q: General - When does the Marine Corps expect to make contract award?

A: The Marine Corps expects to make contract award by September 2000 with performance to begin by 1 January 2001.

45. Q: General - Will there be a technical library available for contractors or will all required documents be available on the Internet?

A: Yes, technical publication libraries are available at both Camp Lejeune, NC and Camp Pendleton, CA. Offerors may contact the Base Food Service Officers at either location to make an appointment. Base Food Service Office phone numbers for Camp Lejeune, NC are 910-451-1567 or 2716. For Camp Pendleton the phone numbers are 760-725-3368 or 3378.

46. Q: General - Does the contractor pay DLA a consolidated invoice for food purchases under STORES?

A: Today, for every delivery made, a separate invoice is paid. DLA/DSCP will work with the Contractor to set-up vendor invoicing suitable to all.

47. Q: General - Please provide a BDFA summary for the past three years for each messhall to be outsourced?

A: The following table represents an average for regional messhalls for each region.

	FY 97	FY 98	FY 99	FY00
East Coast	\$5.620	\$5.440	\$5.418	\$5.467
West Coast	\$5.854	\$5.520	\$5.695	\$5.834

48. Q: General - Since the contractor is responsible for the total process associated with food ordering/receiving/payment, it is our understanding that the current FSO's MCFMIS and STORES function will be performed by the contractor. Is this correct? If not, please delineate the functions?

A: Correct. The Contractor will perform all food ordering/receiving/payment functions. Payment will be made from the Contractor to DSCP for food procured through the Prime Vendor program.

49. Q: *Section B - Given that the rates for CLINS 0005, 0008, 0011, etc. for FY02 through FY08 will not be evaluated and contractor is supposed to use FY01 to assess requirements, develop and negotiate prices with the USMC, is it still required to submit prices with the proposal?*

A: Monthly preventative maintenance rates (CLINS 0005AA, 0008AA..) and hourly service call rates (CLINS 0005AB, 0008AB, ...) must be included in the cost proposal and will be evaluated. Repair parts (CLINS 0005AC, 0008AC.....) must be left blank.

50. Q: *Regarding Electronic Media, the RFP states, "The offer shall also provide their proposal in electronic media...compatible with Microsoft Office programs for word processing, spreadsheet and other applications that the offeror employs in its proposal." Is it acceptable for the electronic submittal of our technical proposal to include only the proposal text in Microsoft Word? Graphics inserted into the text cannot be searched on and can make file sizes extremely large and difficult to manage.*

A: Yes, for the technical proposal, as a "Read Only".

51. Q: *Section J, Attachment VI (East) - Please provide all addendum for the CBA between Moore's Cafeteria Services, Inc. and the ITPE?*

A: The addendum page is attached.

52. Q: *Section J - When does the Marine Corps anticipate issuing the Performance Requirement Summary?*

A: The Marine Corps will attempt to issue the Performance Requirement Summaries in an upcoming amendment.

53. Q: *Section J, Attachment 5 - Will the successful contractor be permitted to take over the messhalls that are being phased out sooner than the posted schedule?*

A: Attachment V is no longer valid and is being deleted from the solicitation. Please refer to Question #22, above for clarification.

54. Q: *C1.3.1, C1.5.1.4.2.1, C1.5.1.4.2.2 and TE 2(West) - C1.3.1, C1.5.1.4.2.1 and TE 2 identify Bridgeport Messhall 3006 a FFS operation not currently under contract. C1.5.1.4.2.2 lists it as part of Camp Pendleton, a M&MA operations and under contract to Speedy Food Service, Inc. What information is correct?*

A: Bridgeport has no current contract, but Messhall 3006 will be a FFS messhall. It is being deleted from the C1.5.1.4.2.2. (M&MA) list.

55. Q: *C1.3.1, C1.5.4.2.2 and TE 2 (West) - C1.5.1.4.2.2 and TE 2 identify Messhall 53502 a M&MA operation. C1.3.1 identifies it as a FFS operation. Which is correct?*

A: Messhall 53502 is a FFS messhall. Paragraph C1.5.1.4.2.2 and the TE2 for Messhall 53502 are being corrected via amendment.

56. Q: *C1.3.1, C1.5.4.2.2 and TE 2 (West) - C1.5.4.2.2 and TE 2 identify Messhall 33502 as a FFS operation. C1.3.1 identifies it as a M&MA operation. Which is correct?*

A: Messhall 33502 is a M&MA operation. Paragraph C1.5.1.4.2.2 and the TE2 for Messhall 33502 are being corrected via amendment.

57. Q: *General - Please provide the schedule for phase out of Marine Corps food service personnel for each messhall by quarter.*

A: Previously answered in Question #22, above.

58. Q: *General - Please provide updated floor plans for facilities that were either undergoing renovation during the site visits or are currently being remodeled. For example, it is our understanding that Messhall 210702, which we saw, is going to be closed and replaced by 210802 which we did not see.*

A: Floor plans are nearly identical for replacement messhalls at Camp Pendleton. Square footages for these two messhalls are identical. Equipment layout may differ slightly.

59. Q: *L.11.2.3 - Are the seven (7) projects to be listed for Past Performance for the team or may we provide up to seven (7) for each team member?*

A: Each proposal shall contain seven (7) projects, total, in order for the Government to successfully evaluate past performance. If the contractor decides to submit additional projects the additional information will be reviewed but will not carry any additional weight in the evaluation process.

60. Q: *L.8.4 - RFP font requirements state "text no smaller than 11 pitch characters to the inch" Is 12 point Times New Roman acceptable?*

A: Yes, 12 point Times New Roman is acceptable.

61. Q: *C1.5.1.1.2/4 - It is our understanding that the Government will provide MCFMIS training to contractor personnel. What is the per person cost of the initial MCFMIS training?*

A: The Government will provide initial MCFMIS training, at contract start-up, at no cost to the Contractor. The Contractor shall provide follow-on training, when necessary, due to contractor personnel turnover from their internal resources.

62. Q: C5.8.1 - How do you measure patron flow? At what point does the clock start and stop?

A: For the Main Entrée Serving lines, and as stated in paragraph C5.8.1., patron flow "...will commence when the patron is positioned in front of the first serving well/menu item on the main entrée serving line." For Fast Food/Carry-Out serving lines, and as stated in paragraph Section C5.8.2., patron flow "...will commence when the patron is positioned in front of the fast food/carry-out serving counter or serving line". The clock will stop when Contractor serving line personnel have completed serving the patron and the patron has proceeded to other areas in the messhall.

63. Q: TE-2 pg 1 of 6 (West) - On Sundays, Building 569 MCRD San Diego is allowing 1 hour and 15 minutes to feed the average headcount of 4,034. What is the actual time frame and headcount for Sunday meals?

A: The 1 hour and 15 minute meal period for Messhall 569 on Sunday mornings is the correct meal serving period.

64. Q: Section B - Please give an example of how the 1/26th billing would work with a variation in meal quantity.

A: The provisional billing rate, 1/26th of Target Price, will not be affected by variations in meal quantity. Section B will be revised to provide for quarterly reconciliation of actual meals served (times target price per meal), and annual reconciliation of actual costs above or below target cost.

65. Q: Section B - There is a difference between the estimated meal quantity in Section B and the summation of the meal quantities in Technical Exhibit 2. Please clarify.

A: Please refer to Question #75, below.

66. Q: Section C -C1.5.1.1.1 - What are the historical annual food cost increases for subsistence provided by the Government's Defense Logistics Agency (DLA), Defense Supply Center - Philadelphia (DSCP) Subsistence Prime Vendor Program?

A: A more accurate way of answering this question is to provide Basic Daily Food Allowance (BDFA) comparisons in regard to Prime Vendor price increases since the two are tie to one another. Question #51 provides Basic Daily Food Allowance (BDFA) information for both coasts of the past several years noting that there was little

significant change and even decreases in some years. Obviously the DSCP pricing is a major factor in those BDFA numbers due to the fact that BDFA computations by the Services are based upon DSCP regional Prime Vendor prices. Under this solicitation the BDFA is no longer applicable.

67. Q: Section C - C1.5.1.1.1 - What are the forecasted escalations for subsistence provided by the Government's Defense Logistics Agency (DLA), Defense Supply Center - Philadelphia (DSCP) Subsistence prime vendor Program?

A: There are no forecasted escalations for subsistence purchased by DSCP. A reasonable expectation is that the DSCP pricing will closely follow the food component of the Producer's Price Index.

68. Q: Section C - C1.5.1.1.1 - If the Government's Defense Logistics Agency (DLA), Defense Supply Center - Philadelphia (DSCP) Subsistence Prime Vendor Program increases its handling fee, can the contractor get an equitable adjustment?

A: The DSCP surcharge in 4 of the last 5 years have been decreasing (FY00 - 5.8%, FY99 - 5.2%, FY98 - 5.5%, FY97 - 6.0%, FY96 - 6.1%), with fluctuations of less than 1 percent over that period; such minimal increases/decreases should in turn have a minimal effect on Offeror's pricing. Based on current levels and recent modest changes there should be no need for any special equitable adjustment.

69. Q: Section E - In E.3 was "Inspection of Services-Fixed Price" 52.246-4 intended instead of "Inspection of Supplies-Fixed Price" 52.246-2?

A: FAR 52.246-4 should have been included. This will be corrected in the amendment.

70. Q: Section I - I.10, 52.219-26 What SIC codes are you going to evaluate?

A: The major SIC (standard industrial classification) groups applicable to clause 52-219.26 are published by the Small Business Administration on the Internet at <http://www.sba.gov/regulations/siccodes>. The major groups are 10, 12, 13, 14, 15, 16, 17, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 34, 36, 37, 38, 39, 41, 42, 44, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 67, 70, 73, 75, 76, 80, 82, 87, and 89. It should be noted that the question refers only to the incentive subcontracting clause, and that there is no restriction as to the specific SIC codes for small business subcontracting in general.

71. Q: Section L - How will the Marine Corps evaluate the food cost of the Offerors, since Offerors are required to use the Government's

Defense Logistics Agency (DLA), Defense Supply Center- Philadelphia (DSCP) Subsistence Prime Vendor Program for subsistence sourcing?

A: The food cost itself will not be evaluated. Since the pricing methodology of price per meal will be used and food is only a portion of the total price per meal, the price per meal is the evaluating factor. To the extent that all offerors use DSCP similarly should be an equalized part of the proposal/evaluation.

72. Q: Section L - Will the Marine Corps consider equalizing food cost between vendors since all vendors are required to use the Government's Defense Logistics Agency (DLA), Defense Supply Center - Philadelphia (DSCP) Subsistence Prime Vendor Program?

A: Response is similar to Question #71, above.

73. Q: Section L - Since Offerors are required to use the Government's Defense Logistics Agency (DLA), Defense Supply Center - Philadelphia (DSCP) Subsistence Prime Vendor Program, will L.11.2.1.1.1 be modified?

A: No. Offerors must still identify sources of market ready items and their quality, transportation and distribution plans for local items and foods processed centrally.

74. Q: Section M - 3.4.1 Please describe and give examples of "potential overrun and underrun scenarios".

A: We will use offerors' proposed targets, share ratios, and ceiling to assess what would be the cost to the Government if the actual per-meal cost falls below or exceeds the targets proposed (as seen in the examples at the end of Section B).

75. Q: Technical Exhibit 2 - "Total estimated number of meals served annually (actual calendar Year 1998 data)" does not always match the summation of "Historical meal data". Please clarify.

A: Please refer to the attached tables. These meal counts replace those meal counts previously provided in the RFP as paragraph 14 of all Technical Exhibit 2's.

76. Q: CDRL listing - Item 15 on CDRL listing does not correspond with supporting document. Please clarify.

A: CDRL #15 on the CRDL Matrix, Attachment IV (page 1 of 20) should read "Unsatisfactory Material Report (UMR)" vice "Messhall Equipment Replacement Report and Equipment Record Jackets". The corrected pages, one for each regional contract, are attached.

77. Q: C4.2.11.2 - Under paragraph C4.2.11.2, is there any liability for the contractor when the Government performs the work?

A: C4.2.11.2 refers to emergency repairs made after hours by the Government. In this case, the Contractor is not liable for Government repairs. The Contractor's liability begins when the contractor performs maintenance on that same item of equipment.

78. Q: General - How will DSCP increases for food components be incorporated into the cost per meal?

A: Although costs for individual items may fluctuate, the overall market basket index has remained relatively stable over the last four years. The Government is considering a Economic Price Adjustment (EPA) clause, which would provide an avenue for Contractors to be compensated for extraordinary cost increases. On the other hand, food cost decreases may also justify a downward EPA. The EPA will be addressed in a future amendment.

79. Q: Attachment 5 - Please provide us with the actual dates when Marine Corps personnel will depart each specific Messhall, for costing purposes.

A: Previously answered in Question #22, above.

80. Q: Phase-In-Plan - When does the contract/option period end for Craven Evaluation and Training Center (CETC) at Messhall 3451?

A: 30 September 2000.

81. Q: General - Will NISH provide the offerors with a detailed breakdown of the work schedules and cost breakdown by employee, position, number of hours worked, and hourly rate of pay?

A: This is addressed in the revised paragraph H.5, attached.

82. Q: General - What arrangements do we need to make to visit additional site or revisit some of those previously seen?

A: Contact Mr. Paul Sando, who will coordinate additional visits with the Marine Corps Head of Food Service and Subsistence Section at Headquarters, Marine Corps. Mr. Sando's phone number is 703-695-6225, extension 2525.

83. Q: General - Will a third party vendor be required to use raw food products from DSCP in the preparation of advanced food technology products?

A: Not necessarily. A third parties finished product may simply be added to the Prime Vendor catalog. In cases where the 3rd party vendor uses food sourced from foreign sources, raw product WILL be required from DSCP to satisfy the requirements of the Berry Amendment. Please refer to Question #97 below for additional clarification.

84. Q: General - Is MCFMIS scheduled to be upgraded to Windows? If so, what is the anticipated date of implementation?

A: Windows update is already under development. No implementation date has been determined at this time.

85. Q: General - Please provide a current inventory by messhall of computer hardware and software, including the systems configuration, software and communications packages associated with each computer that will be made available to the contractor.

A: The Government does not understand the rationale behind this question. Since there are no external MCFMIS system interfaces required beyond MCFMIS and all MCFMIS systems are less than two years old, which includes LAN capability and a printer, there is no need to collect and provide this information.

86. Q: General - Since the contractor will now be responsible for ordering all food through the STORES program, will the existing computers at the Food Service Office (FSO) be made available to the contractor?

A: Yes. All FSO STORES systems will available to the Contractor.

87. Q: General - Is the current Marine Corps computer equipment on an upgrade schedule? If so, when are they scheduled to be replaced?

A: Yes. Each command maintains its own upgrade schedule. New equipment specifications are provided by HQMC.

88. Q: With the Small Business Administration (SBA) appeal being resolved, may we contact Mr. Sando's office regarding additional site visits?

A: Yes. Please refer to Question #82, above.

89. Q: Will Small Businesses in EZ/ECs be treated same as Hub Zone Small Businesses?

A: No, there are no procurement preference provisions for empowerment zones (EZ).

90. Q: What should a Small Business present to "prove" it is a small business?

A: Self-certification is sufficient.

91. Q: What does the Marine Corps see as the advantages of having two separate contractors for the East and West Coast versus a single contractor for both coasts?

A: Given the close physical proximity of Marine Corps bases in the Southwest U.S., as well as those in the Southeast, it is felt that dividing our CONUS activities into those two regions is the most effective means of promoting the application of advanced food technologies to our requirements.

92. Q: *Is there any contract out clause or provision for this if the successful offeror wishes to bow out?*

A: No such clause exists in this contract. Should a Contractor repudiate the contract, the Government may terminate the Contractor for default and assess procurement costs against the defaulted Contractor.

93. Q: *Is produce required to be purchased from DSCP?*

A: Yes, via the Defense Subsistence Offices (DSO).

94. Q: *Please provide exactly what the contractor's relationship is to be with DLA/DSCP and to what extent are they to be utilized?*

A: Contractors will order a majority of their subsistence from DLA/DSCP. They will enjoy a normal customer-provider relationship.

95. Q: *Currently, Navy Med. regulations seem to limit the length of time that "Cook Chill" food can be held for 3 days. Will this be changed or will the contractor not be subject to these restrictions?*

A: The three day limit is for pre-prepared foods, i.e. sandwiches, salads, etc.; as distinguished from cook-chilled or soused commercially prepared foods, whose shelf lives are much longer (e.g., generally 45 to 60 days).

96. Q: *What control will the JWOD contractor have over the contracts where they are assigned?*

A: See revised paragraph H.5 for clarification.

97. Q: *What restrictions are in place that controls the price of food that we are required to buy through the Prime Vendor Program?*

A: As the Subsistence Prime Vendor program makes great use of commercial items and commercial practices the market place tends to be the controlling factor. Two significant contract requirements which tend to reduce sources and thereby exert upward pressure on the price (although not always) are the Berry Amendment prohibitions on the use of items not grown and produced in the U.S. and its territories (limited exceptions apply) and the Surgeon General requirement that certain products be obtained from one of the Sanitarily Approved lists. Another limiting factor not encountered in commercial business

is the unavailability of a supplier because it has been Suspended or Debarred.

98. Q: Would you please provide the MOU that exists between the Marine Corps and DSCP?

A: Yes. A copy is attached to this amendment.

99. Q: What is the DSCP mark up/added charge to Prime Vendor Invoices and other vendor invoices?

A: The current (FY00) DSCP surcharge is 5.8% for customers in the continental U.S.

100. Q: DSCP - Will the maximum price paid to DSCP for produce be the price the USMC currently pays?

A: No. The price of produce can be susceptible to price fluctuations based on various factors, so it would be impossible to make the current prices paid the maximum or ceiling price.

101. Q: It is understood that this price may be less based on ordering methods but will the current prices be the maximum? and does this current pricing include the 8-10% discount you mentioned earlier?

A: No. The current prices for subsistence provided through DSCP's will not be the maximum prices. Again, subsistence items are susceptible to price fluctuations due to seasonal and or unique events in the marketplace, so it would be impossible to make the current prices paid the maximum price. The current prices do not reflect the 8-10% discount discussed.

102. Q: Payment/Billing Schedule - We invoice USMC every two weeks. When will we be paid?

A: The DFAS billing cycle is 30 days after receipt of a valid invoice, though offer of a prompt payment discount for expedited payment (e.g., 1%-20 days) could also be a factor. The successful offeror will be required to accept Electronic Funds Transfer (EFT) for payment.

103. Q: DSCP will invoice the contractor weekly, how long do we have to pay?

A: At the Pre-Proposal Conference held on 14 Mar 00, one of the DSCP representatives stated that the DSCP normal billing cycle was monthly. That is unlikely to change in the near and medium term. It is anticipated that the contractor will be required to pay DSCP for subsistence items ordered in 30 days (or less). It is anticipated that there will be a written agreement between DSCP and each Offeror spelling out these and other areas of partnership.

104. Q: Page B-15 (of 19) - East Coast - Ceiling price per meal: Total cost to the Marine Corps for all subsistence and services is approximately \$3.75 per meal. What costs comprise this \$3.75? (i.e. Labor, maintenance/cost of goods/repair parts/cleaning supplies/utilities, etc?)

A: The current total cost to the Marine Corps for all subsistence and services within the scope of this contract is approximately \$3.75 per meal. The total costs reflect the levels of effort which are subject to the Regional Food Service Contracts.

The costs, therefore, include all subsistence (both DSCP Prime Vendors and Locally procured); current messhall labor contracts; 594 Marine Cooks; Marine mess attendants at MCRD Parris Island, MCRD San Diego, Marine Barrack 8th & I, Bogue Field and MWTC Bridgeport; and cleaning supplies. The Marine Corps is now spending \$111.0 million to serve a total of 29,654,000 meals as shown below:

Cost for supplies and services within the scope of the Regional Food Service Contracts:

Subsistence:	\$ 53.3M
Mess contracts:	\$ 31.0
594 Marine Cooks:	\$ 20.5
Marine Mess Attendants:	\$ 5.7
Cleaning Supplies:	\$.5
Total:	\$111.0M

Number of Meals Served:

East Coast Messhalls:	16,791,000
West Coast Messhalls:	12,863,000
Total:	29,654,000

Cost per meal: \$3.743

The above costs do not include items that are not a part of the regional contracts. The following items are excluded from the total costs of \$111M:

- Messhall utilities and facility maintenance costs: The Marine Corps will provide at no charge, as is the case today.
- Disposable paper products to include boxes/bags for lunches, paper and plastic for recreation and field meals: The Marine Corps will provide at no charge, as is the case today.
- Marine cooks who are assigned to the operating forces: This is cost neutral. These Marine cooks will continue to work at the M&MA messhalls.

- Food preparation and serving equipment maintenance and repair parts: Included in the regional contract as separate CLINs.

The Offeror's proposal may include the centralized production capabilities. Under that scenario, the proposal costs should include the applicable costs of operating or accessing such a facility [e.g., labor, raw ingredients, utilities, maintenance, transportation and operating supplies] in determining the final price per meal.

105. Q: Will you provide recipes detailed for all menu items?

A: All recipes are contained in the Armed Forces Recipe Service, which is accessible through MCFMIS and at www.n11.navsup.navy.mil/recipe.

106. Q: How will the 30% Small Business goals be enforced? (i.e. Sanctions, penalties, etc) If so, will penalties be in revisions?

A: The 30% mandatory small business subcontracting requirement is not the same as the small business subcontracting goal which will appear in the small business subcontracting plan, though the two are related. Specific details of the small business subcontracting provisions are contained in revised clauses C.1.5.2, L.11.2.2, and M.3.4.3. The primary enforcement mechanism is the liquidated damages clause.

107. Q: When will Wage Determinations be provided?

A: HQMC first approached the Department of Labor (DOL) with written requests during October 1999. HQMC has not received the Wage Determinations as of yet. We will provide these in a future amendment.

108. Q: When will NISH pricing be provided?

A: This is addressed in the revised paragraph H.5.

109. Q: The Marine Corps currently has a Cook Chill facility in Okinawa. What savings have been achieved there?

A: Most significantly at this point is a 28% reduction in the number of mess attendants has been achieved. Although the Okinawa plant is still growing into its full production capability (opened Jul 99), many food processes such as salad preparation and other bulk "pumpable" items are being tested, developed and reviewed for patron acceptability.

110. Q: The Marine Corps has stated that it anticipated that centralized production will yield an eight to ten percent decrease in

cost. Please provide any and all studies that have lead the Marine Corps to this conclusion.

A: There appears to be some confusion in regard to the 8-10% DSCP cost decrease. This reduction only applies to DSCP products delivered directly to a Contractors central production facility (CPF), if applicable. The 8-10% price reduction does not apply to subsistence items delivered directly to individual messhalls/receptor sites. As a matter of information, typical commercial industry CPF food cost savings from cook-serve to cook-chill is 20-25%.

111. Q: What objectives have been established for Randolph-Shepherd Act (RSA) contractors? If so, please provide details.

A: No arrangements have been made with RSA contractors. They are eligible to propose under the full and open competition requirements of this solicitation.

112. Q: What controls are in place, to control the cost generated by the JWOD contractors?

A: After contract award, the prime contractor will be responsible for monitoring costs of all subcontractors, including the JWOD subcontractors. Costs considered not fair and reasonable will be addressed by the JWOD Committee.

113. Q: Please provide all cost related information that involves JWOD that you have been made aware of: A) Wage determination and..... B) Additional Messhall allotments to JWOD through out the lives of these solicitations.

A: See clause H.5. Wage determinations are a matter of public record and are published annually by the Department of Labor. Only those messhalls already detailed in the solicitation will be set-aside for JWOD throughout the life of the contract.

114. Q: Please provide the methods by which the Marine Corps will determine whether it will achieve its targeted savings? Please provide details.

A: The contract type selected, fixed-price incentive, will provide visibility on actual costs incurred by the contractor in performance. Savings can thus be determined by calculating the difference between those actual costs and estimated amounts associated with the Marine Corps food service program as it exists today (See Question #104), escalated for inflation.

115. Q: The estimates listed in the two solicitations appear to be significantly overstated: has the Marine Corps relied strictly on historical data or has there also been additional data considered?

A: Although not quite sure which estimates this question is referring to, none of the estimates are significantly overstated or understated. HQMC relied on historical data provided by Marine Corps Base/Station commands for estimates contained in the RFP.

116. Q: *How did you determine that ASC was a Small Business? It is my understanding that ASC is a Large Business.*

A: That is correct, ASC is a large business.

117. Q: *The Marine Corps has indicated that they will be spending 90 Million dollars on those two contracts. How did the Marine Corps come to this number? How does this compare with what your spending today? What specific detail can you provide concerning this issue?*

A: The exact methodology is procurement sensitive as it relates to the construction of the Government Estimate. The 90 million dollar figure is a good faith Government Estimate. Refer to Question #104, above for a complete explanation.

118. Q: *What were the actual meals served in the Messhalls included in the East Coast solicitation and then in the West Coast solicitation? Please provide this information with a breakout by Messhall.*

A: The recomputed numbers are attached.

119. Q: *How did the Marine Corps come to the conclusion that these solicitations needed to be competed as Unrestricted?*

A: The determination was made in compliance with FAR 19.502-2(b)(1), which requires that a reasonable expectation must exist that at least two responsible small business concerns will submit proposals. The Marine Corps concluded that this "reasonable expectation" does not exist, given the necessary financial, organizational, technical and production capabilities required for contracts of this magnitude.

120. Q: *The Anti Bundling Law requires the agency doing the bundling to identify significant savings that will be obtained by bundling. a) Please identify the studies, both internal and externally done that indicates substantial savings? And b) please provide these studies and the criteria that was reviewed.*

A: The Marine Corps complied with all documentation requirements on contract consolidation for this procurement, which included the identification of \$20 million in savings estimated to be generated through this regionalization initiative. It is significant that the Small Business Administration did not challenge the Marine Corps rationale for consolidation of contracts for this procurement. There are a number of studies that support the regionalization approach, including documents such as *Marine Corps Integrated Food*

Service Master Plan (1990), Marine Corps Use of Cook Chill Technology (1996), Concept Paper (Food Service Campaign Plan) (1997), "ANALYSIS OF THE IMPACT OF CONVENIENCE FOODS ON NAVY FOOD SERVICE OPERATIONS (1998), and Economic Analysis of Regionalized Mess Contracting (1999). These studies will not be provided as part of the amendment since they are not required for proposal preparation.

121. Q: When did the Marine Corps first examine the possibility of changing its traditional method of contracting at the base level and utilize the regional method?

A: In 1990.

122. Q: What effective evaluation of Small Business was done to determine if Small Business had the ability to provide the required service for these regional contracts?

A: The Marine Corps reviewed correspondence submitted to the Small Business Administration by 5 small business concerns, reflecting their interest in the regional food service program. Three of the submissions consisted of form letters with little or no data describing their abilities. Two of the respondents did provide details on the level and scope of services provided under recently awarded food service contracts managed by those two companies. In both cases, the support described the contractor's experience in providing standard food services on a relatively small scale at single installations. Nothing submitted by any of the 5 firms would create a reasonable expectation that they would be capable of fulfilling requirements of the scope required by the solicitations.

123. Q: Has the Marine Corps received any interest from Small Business indicating their interest in providing the required services for either of these two contracts?

A: Yes. Please refer to the answer to Question #122, above. The Marine Corps encourages the maximum participation of small business firms in all aspects of this procurement, including the submission of proposals as the prime contractor; in teaming arrangements with other Offerors (large and small); and as subcontractors.

124. Q: There seems to be a labor cost problem in that Dept. of Labor issues different Wage Determinations for each state and the District of Columbia. CBA's from the different unions also show a variance of labor hourly cost figures. How will this be computed to give a single per Marine meal cost? Addressing this issue perhaps by region (breaking up East/West contract to State region) could impact favorably on per meal costs to USMC.

A: The total cost to provide the required labor and subsistence should be included, resulting in a weighted average cost per meal.

See the answer to Question #91 for a discussion of our regional approach.

125. Q: *Is JWOD considered in 30% set-aside for Small Business?*

A: JWOD is not included in the 30% mandatory small business requirement; however, JWOD is included in the small business goal calculations and reporting under the small business subcontracting plan. See revised clauses C.1.5.2, L.11.2.2, and M.3.4.3 for specific details.

126. Q: *What percentage of the contract will be awarded to prime vendors?*

A: 0% of the contract will be awarded to Prime Vendors, in the context of the DSCP Prime Vendor Program. The contracts will be awarded to prime contractors, who will subcontract with JWOD agencies, Small Businesses, DLA/DSCP, Prime Vendors, and others for necessary support.

127. Q: *What percentage of the goods will be supplied by general contractor, specifically does this include janitorial supplies, equipment, etc.?*

A: A majority of goods will be supplied by the prime contractor including janitorial, chemical and disposable paper/plastic products. Please refer to Question #147, below for further clarification regarding consumable supplies.

128. Q: *Regarding food service, what is the goal for minority and Small Business?*

A: See revised clauses C.1.5.2, L.11.2.2, and M.3.4.3 for details concerning the calculation of goals.

129. Q: *If they are subcontractors, will they be subcontracting through food service companies or through the Marine Corps?*

A: Subcontractors will be dealing through the food service company, which will be the prime contractor, not the Marine Corps.

130. Q: *What minimum qualifications are required for subcontractors?*

A: None, other than the ability to perform in accordance with the Statement of Work and the prime contractor's technical proposal.

131. Q: *Are there food source data sheets that will accompany the solicitation?*

A: No. DSCP has offered to provide a list of its Prime Vendors and available market ready providers by location.

132. Q: May we have a list of local and current contract food vendors?

A: DSCP has offered to provide a list of its Prime Vendors and available market ready providers by location. Attached is a listing of market-ready items that are procured independently of the DSCP program.

133. Q: Are we going to be supplied with a current Wage Determination?

A: Please refer to the answer to Question #107, above.

134. Q: Are there any existing H&W, pension, and/or uniform allowances?

A: We are sure these items are included in our existing contracts. However HQMC does not have this information on file. Yes, all of these items need to be factored into your costs.

135. Q: Do we need to provide a current financial statement or any other financial documentation?

A: The Marine Corps will evaluate the responsibility of each offeror, which includes financial capability. Any information included in offeror's proposals describing the offeror's (team members) capacity and capability will assist the Marine Corps in its assessment of responsibility.

136. Q: Where will invoices be certified?

A: The HQMC Contracting Office will certify all regional invoices.

137. Q: Is this an appropriated fund acquisition?

A: Yes, this is an appropriated fund acquisition.

138. Q: How will mobilizations/national emergency situations be handled under the contract?

A: These issues are somewhat addressed in paragraphs C1.11, C1.23.4.1. and C1.25 of the RFP. For extraordinary situations outside the scope of the RFP a separate negotiation will take place between the Government and the Contractor.

139. Q: Will DSCP pay the Prime Vendors?

A: Yes. DSCP is responsible for paying the Prime Vendors under their program. The Contractor will pay DSCP for subsistence purchased. Also refer to Questions #46 and #103, above.

140. Q: What if prices come in higher than the Marine Corps anticipated?

A: Please refer to the answer for Question #114, above.

141. Q: Will additional questions be accepted?

A: Yes, forward additional questions to Mr. Paul Sando (E-mail or fax) as soon as possible. Mr. Sando's e-mail address is "sandope@hqmc.usmc.mil". Fax at 703-695-6382.

142. Q: What is our target date for release of TE1?

A: We anticipate including TE1 in Amendment 0002.

143. Q: How do we envision CBAs being negotiated?

A: We would foresee that existing CBAs would remain in effect at least until new agreements can be negotiated. We would hope long-term agreements can be established.

144. Q: What was the rationale for two solicitation closing dates? Can they be brought back together?

A: The closing dates are being recombined and extended to 26 June 2000.

145. Q: Do you anticipate M&MA messhalls will remain so for the full term of the contract?

A: Contractors should prepare their proposals assuming that those messhalls will remain M&MA for the life of the contract.

146. Q: Is it still the intent of the Government not to provide land/facilities to the contractor for the central processing of food?

A: Correct. We do not intend to provide such land/facilities.

147. Q: C3.6 - Please clarify what "fast food and emergency disposable paper products" the Government will provide? Identify what consumable type supplies the contractor needs to supply, i.e. who supplies paper napkins, plastic film, aluminum foil? Does the Government provide all paper and disposable products for all meals away from the messhall (boxes/bags for lunches, paper/plastic for recreation meals and field meals)?

A: The Government will supply only emergency disposable paper products in support of situations caused by the Government which inhibits or hinders the Contractor from using regular dishware and silverware. An example is a Government scheduled or unscheduled utility outage. The Government may also provide items following

national disasters. The Government will not provide disposable paper products to the Contractor for situations such as an inoperable warewashing machine, when the Contractor is required to repair this item under the FPSE M&R tasks under this contract.

The Contractor is required to provide all other items to include fast food paper products and bags/boxes for recreational meals. The Contractor is not required to provide paper/plastic items for recreational meals. The Government (unit receiving recreational meals and/or field meals) is responsible for providing its own paper/plastic items. However, plastic film, aluminum foil, etc., associated in the preparation and packaging of meals to be consumed away from the messhall is the responsibility of the Contractor as it is in general support of meal preparation and storage processes.

148. Q: Please clarify what the contractor's responsibility will be for on base transportation for performing tasks identified in the Statement of Work.

A: There are no specific requirements for the Contractor to provide on-base transportation for contractor employees with the exception of the requirements addressed in paragraph C1.11.2. Typically, contractor personnel commute directly from their residences to their respective messhall via personal conveyance. There is no requirement for contractor personnel to perform tasks other than those in a messhall or other type of support facility if utilized by the particular Contractor. Contractor personnel are not required to perform duties in remote locations away from the messhall such as field mess site.

149. Q: Will offerors using a third party vendor for their advanced food technology be required to prepare products following the Armed Forces Recipes only, with the exception of the addition of modified starches, when required, as the only acceptable change to the recipe?

A: Correct. The Armed Forces Recipes are the standard with minor changes allowed for advanced food technology. The Marine Corps, however, would consider allowing the use of alternative recipes that have the same proportion of meats to vegetables and fat and sodium content, on an exception basis.

150. C.1.21.1 - Pre-employment Examination - Prior to and annually thereafter, contractor personnel shall obtain medical clearance from their private physician stating they are free from communicable disease per NAVMED P5010, Chapter 1, Food Safety and BUMED Instruction 6224.1 series. Chapter 1 - para. 2-2.2, in the P5010, states that an initial screening does not normally include a physical examination, but shall be sufficient to detect evidence of diseases that may be transmitted to food. Also it states that subsequent health screening (e.g., annual evaluation) is not routinely required.

Q: Can local command medical services provide initial screening, to save money?

A: No. The Government's ability to provide contractor employee initial medical screening uniformly across all Marine Corps Bases/Stations is inadequate. The Government does not possess sufficient medical personnel to provide contractor employee medical clearance screening. Therefore, the contractor is required to provide this screening for all employees **prior to** work assignment in a messhall.

151. Q: Can initial screening be conducted as per your para. C1.21.3 (Work Shift examinations) vice a private physician?

A: No. Chapter 1 - paragraph 2-2.2, NAVMED P5010, Chapter 1, Food Safety states that "All food employees shall be medically screened for evidence of communicable disease prior to initial assignment in food service." An initial screening for contractor employees is considerably different than a work shift examination. A person "walking off the street" will require a more in-depth "initial" screening than a contractor employee beginning a work shift in the messhall. For example, screening an employee for tuberculosis through a PPD test is not something you can perform during a work shift examination.

152. Q: Can annual examinations be waived?

A: No. The Government will not waive the annual examination requirement. Although Chapter 1 - Food Safety states "...not routinely required.", the Government must ensure that personnel directly involved in providing food service to Government messhall patrons are properly examined and screened for diseases, annually.

153. C3.3.1.2.2 - The contractor shall be responsible for all minor property (i.e., forks, knives, spoons, dishware, trays, etc.) associated with all contracted messhalls. The Government will apply a 10% tolerance for silverware and a 5% tolerance for dishware from the initial or previous inventory.....

C3.3.1.2.3 - The contractor shall reimburse the Government for any quantities exceeding those tolerances.....

Q: Is this 10% & 5% allowance "from the initial previous inventory provided" annually or over the contract period?

A: As stated in the title for paragraph C3.3.1.2 of the RFP this is a "**Monthly** Minor Property Inventory" requirement. Therefore, the tolerances are applied "monthly". The "initial" inventory only refers to that first minor property inventory conducted at contract start for each messhall, which will be a joint Government/Contractor inventory.

The "previous" month's inventory is just that - the previous calendar month's minor property inventory.

154. Q: Please clarify status of Building 14036. TE2 list this facility as Management & Mess Attendant where as section C1.3.1 "West Coast Messhalls" requiring full food service" list this facility as a Full Food Service facility. Please clarify which is correct?

A: Messhall 14036 is a Full Food Service (FFS) facility. This is corrected in Amendment 0002.

155. Q: The TE2 for Camp Pendleton Messhall #2403, states "mid rats" (midnight rations typically used by Marine Corps Air Station to feed shift workers) will be implemented 1 April 99, however no hours are reflected. In addition, the estimated days this facility is expected to be in operation projects this facility to close from 2nd quarter 00 to 3rd quarter 01. Is this still a valid projection? Which facility will receive the overflow when this facility closes?

A: Messhall 2403 is tentatively scheduled to reopen 1 Oct 00. Messhall 22186 is currently accommodating the personnel from Messhall 2403. Messhall 22186 is feeding "mid rats" now, but once Messhall 2403 reopens the "mid rat" requirement will remain with Messhall 2403 not Messhall 22186.

156. Q: Please clarify enhancements, its accounting to include if each training unit will be funding this requirement. It is my understanding that cost factor to provide enhancements alone has been as high as \$2M, which is not included in your subsistence cost. How are we to estimate cost for enhancements, if this is separate accounting?

A: This solicitation is based upon a new pricing scheme of cost-per-meal for garrison messhalls. Enhancements to operational (field) rations or meals will not be provided from garrison messhalls under this regional contract. The enhancement requirement for operational rations will be the responsibility of other internal Marine Corps units.

157. Q: Personnel during extreme weather conditions is a concern at Bridgeport. If employees are confined to the facility because of roads being closed, what provisions in the contract will cover contractor cost when contract employees are housed in the guest house; i.e. billeting? Since this will be a direct cost to the contract, how will the contractor be reimbursed?

A: Contractor personnel billeting during severe weather conditions (as determined by the Commanding Officer of the Mountain Warfare Training Center and/or local road conditions) at Bridgeport, CA will be at no cost to the Contractor.

158. **Q: Page C5BWC 1 of 1 - The Government is responsible for all food prep except salad preparation, yet the contractor is responsible for subsistence, MCFMIS, operations storeroom and salad room. Please clarify what if any does the Marines who are cooks have to do with the menu planning of this operation, in the area of food preparation?**

A: In regard to menu planning, please refer to C5BWC, Page 1 of 1 for menu planning clarification. With regard to food preparation tasks, please refer to paragraph C3.5, Pages C3WC4 and C3WC5 of 9 for the "Management and Mess Attendant (M&MA) Services Matrix (Section C5B) which delineates those tasks to be performed by the Government (Marine cooks) and those to be performed by the Contractor.

159. **Q: Please clarify "Grounds Maintenance". All of our TE's state that we police specific circumferences, and there is no mention of maintenance (i.e., mowing, weeding).**

A: Please refer to paragraph C5.15 for both East and West Coast RFPs for further clarification of the Government's grounds maintenance requirements. Specifically, grass mowing is covered in a separate Government services contract unrelated to this acquisition.

160. **Q: Can the Marine Corps provide a recap of total funds paid to DSCP and DSO for all food service related products and produce for 1998 and 1999?**

A: The Marine Corps relies on DSCP for this type of information based upon annual obligations. DSCP does not separate accounting data for general subsistence type items as versus produce procured through the DSOs. Therefore the totals include produce procured through the DSOs. The following Continental U. S. (CONUS) subsistence totals are provided for Fiscal Years (FY) 1998 and 1999.

FY98 CONUS-wide - \$54,826,455

FY99 CONUS-wide - \$55,826,271

161. **Q: The responses to Questions #12, #18, and #73 (Amendment 0001) seem to imply that "market-ready" items can be purchased outside of the DSCP Prime Vendor and DSO programs. The Market-Ready Item Matrix Enclosures to Amendment 0001 list only beverages and bagels that are currently outside of DSCP/DSO. May we assume that some "advanced food technology" products can be procured independent of the Prime Vendor/DSO programs? Please clarify.**

A: The majority of commercial advanced food technology (AFT) products **SHOULD** be procured from DSCP's Prime Vendors (PVs). Currently, only a limited number of such items are provided by PVs. Target AFT foods intended for procurement should be identified to DSCP, who will then bring those items under the PV umbrella. AFT foods to be obtained, at significant savings from non-DSCP PV sources, should be identified to DSCP and HQMC (LFS-4) for determination of

procurement exemption authorization or incorporation under PV. Exemptions will only be allowed if DSCP is unable to match the prospective price. As an aside, if contractors utilize its own central production facility, then DSCP's PV role will be limited to the delivery of basic ingredients. Follow-on distribution could be provided by either DSCP or the contractor's own distribution assets.

162. Q: Please define the process to introduce new supplies (registration and inspection processes) for market-ready items and the procurement of chemicals, uniforms, paper products, etc.

A: On the issue of registration and inspection, all food products must be obtained from "approved sources facilities". Requirements for approved subsistence sourcing are provided in paragraph C4.1.2 (Page C4EC and C4WC 1 of 8). The Government will provide all chemicals, which is a change to the requirement in the RFP. As for the uniforms, this is at the discretion of the Contractor as long as these items are IAW paragraph C1.15 of the RFP. With respect to paper products, the following requirement is a change to the information previously provided in the RFP and Amendment 0001 (Question #147) regarding disposable paper products. "Procurement of all paper products for this acquisition, to include bags and boxes for these type meals, will be the total responsibility of Government. The Contractor is not required to procure any disposable paper products to include napkins and paper towels."

163. Q: Since the contractor will pay these suppliers, will there be an Agency Agreement from the Marine Corps in order for these purchases to remain tax-exempt?

A: Purchases made by the contractor are not per se tax exempt. If a contractor is capable of taking advantage of state and local tax laws (e.g., items purchased for resale), we would expect the contractor to take advantage of these laws as it would do with any other contract.

164. Q: Please provide DSO produce supplier information and details for each Marine Corps base/site. Will DSO pay these suppliers and bill the contractor or will the foodservice contractor need to pay the DSO suppliers?

A: Billing for all subsistence, including DSO/produce items, will be between DSCP and the Contractor. The Contractor is not required to interface with the DSOs at all. In regard to the other part of the question, the DSCP DSO produce operation uses a very robust, diverse process of providing high quality produce for DSCP customers. As all potential offerors were briefed, the DSO uses field buyers and terminal market buyers who can buy daily, augmented by some longer-term contracts. Providing a list of suppliers at any point in time may bear little or no relationship to the suppliers used at some future point. More to the point, if produce is to be supplied by

DSCP, then the potential offerors on this USMC acquisition have no need for a list of suppliers. DSCP has offered to provide pricing information, but this firm has not made such a request. As all potential offerors have been briefed, all DSCP efforts will be billed to the regional USMC contractors. DSCP intends to execute an MOA to detail payment and other issues.

165. Q: From previous statements and as responded to in Question #110 (Amendment 0001) there is still a question on the implied 8-10% "price reduction savings" from DSCP. As per conversation with DSCP, the 8-10% savings potential for Prime Vendor shipments to the centralized production facility is a savings in distribution costs only. Since the approximate average distributor mark up with DSCP is 8-10%, does the Marine Corps understand that this implies an overall gross product cost reduction of less than 1%?

A: The above question gives an incomplete picture of what DSCP intends to do in terms of price reduction in support of the USMC. It is certainly true that to the extent that the distribution on the Subsistence Prime Vendor (SPV) contracts is reduced then the distribution fee or price paid to the SPVs will be reduced; actually in some scenarios the actual distribution done under the DSCP contracts could increase. **BUT!** DSCP's commitment to help the USMC reduce its food budget does not stop at distribution. DSCP expects to use many tools including the sourcing of new products (some in bulk packages which will reduce the price). DSCP may increase its central contracts program and expand its allowance program, and they have gone as far as committing to matching any viable price of which they become aware.

166. Q: Some of the addenda to some of the Collective Bargaining Agreements (CBAs) either have expired or will soon expire. Please provide the new addenda and any new CBAs with current/proposed wage scales, etc. (i.e., Appendix A to the CBA with TMI at Camp Pendleton, current CBAs with D.E.W. at 29 Palms, a new addendum for employees at MCAS Beaufort).

A: Amendment 0002 to Solicitation M00027-00-R-0001 (East Coast) provided Service Contract Act Wage Determinations for: (1) the National Capitol Region including Washington, DC and Quantico, VA, (2) South Carolina region (Beaufort and Parris Island), and (3) the Norfolk, VA region. The North Carolina region, including Camp Lejeune, New River and Cherry Point locations, is pending a reconfigured wage determination from the Department of Labor to accommodate the CBA at Camp Lejeune. The CBA that was previously in place at MCAS Beaufort between Triple P and the Industrial, Technical and Professional Employees Union has expired and this location now falls under the South Carolina wage determination that was provided in the above cited amendment. Amendment 0002 deleted the Beaufort CBA.

Amendment 0003 to Solicitation M00027-00-R-0002 (West Coast) provides the standard wage determination for the Mono County, CA region that covers the Marine Corps Mountain Warfare Training Center, Bridgeport, CA. The other three regions, including: (1) San Diego County, CA (Camp Pendleton, MCRD San Diego, and Miramar) (2) San Bernardino County, CA (Twentynine Palms, CA) and (3) Yuma County, AZ (MCAS Yuma) are all pending a reconfigured wage determination from the Department of Labor to accommodate current CBAs that are in place at those locations. These will be provided in an amendment to the solicitation as soon as they are released by DOL.

The CBA with TMI at Camp Pendleton, CA that was completed in December 1998 is still in effect and has not been renewed since that time. The rates that will apply to this contract will be included in the reconfigured wage determination for San Diego County, CA.

The CBAs for Twentynine Palms, CA expired in November 1999 when the previous contractors were replaced by D.E.W. Management Services. To date, DEW and the unions have not completed a final labor agreement. The rates that will apply to this contract will be included in the reconfigured wage determination for San Bernardino County, CA.

167. Q: Besides messhall offices for messhall operations, will the USMC make available all other necessary office space for support staff required to perform tasks stated in the Offeror's proposal or will the Offeror be required to lease commercial office space outside the base?

A: The Marine Corps will provide limited on-base office spaces especially at the regional food services at Camps Lejeune and Pendleton and other locations as required. As stated in the RFP (paragraph C4.4) the Contractor is required to provide their own phone service, office equipment and office supplies.

168. **Q:** *For the East Coast, please clarify the contract status of the Brig at Quantico (Messhall 3247). Will continue to be operated by FOU/ASC. If so, will it count towards total business goals/dollars?*

A: FOU/ASC does not currently provide contract service to the Brig Messhall at Quantico. Since FOU/ASC provide services to 6 of the 7 remaining messhalls at Quantico it may be practical for them to provide M&FP services to the Brig Messhall as well.

169. **Q:** *How does the factor of 10% Price Evaluation Preference for HUBZone work? Will you compare HUBZone use percentages against each other in the bids?*

A: The 10% price evaluation factor applies to evaluations of proposals for the prime contract; it has nothing to do with use of HUBZone firms as subcontractors, which appears to be the basis for the second sentence. The factor is used in the evaluation of proposals that may be received from HUBZone small business concerns. This has to do with the evaluation of offers for the prime contract, whereby the contracting officer applies a factor of 10 percent to non-HUBZone proposals in accordance with FAR 19.1307. A HUBZone small business may be considered the low offeror, even if its price is up to 10% higher than the actual low offeror's price.

With respect to evaluating proposed HUBZone subcontracting goals in the small business subcontracting plan, each plan will be evaluated on its own merits. Higher proposed goals will receive higher points.

170. **Q:** *What is the 2% "credit/payment" for HUBZone and Women-Owned Businesses and the 5% for Small Disadvantaged Business based on? Is it for surpassing the Marine Corps percentage goal or "stated monetary target?"*

A: The incentive fee is calculated as a percentage of the dollars in excess of each goal set forth in the small business subcontracting plan. If the contractor exceeds the goal, the fee would be a percentage of the dollar amount over the goal. For example, if a 10% small disadvantaged business goal represents \$1 million, and the contractor's actual accomplishment is 20% or \$2 million, then his incentive fee would be calculated at 5% of the \$1 million by which he exceeded the goal, or \$50 thousand.

171. **Q:** *Are there different goal percentages or dollar goals for HUBZone, women-owned, small disadvantaged businesses?*

A: Yes, each large business offeror must propose, in its subcontracting plan, separate goals for HUBZone small business, women-owned small business, and small disadvantaged business, in addition to the overall small business subcontracting goal. The goals are established in terms of percentages, but each proposal must show the dollars on which the percentages are based.

172. Q: How are the evaluation factors for the Small Business Plan assessed? If we exceed stated goals do we get extra points or if we do better than the competition do we get all the points? Is there a limit to the credit that is given?

A: The small business subcontracting plans will be evaluated in accordance with FAR 19.705, to ensure that the information, goals, and assurances are included as specified by FAR 19.704 and 52.219-9, which require that eleven elements be addressed: separate percentage goals, dollar amounts, supplies and services to be subcontracted, method used to develop goals, method for identifying sources, a statement concerning the use of indirect costs, the name of the subcontracting program administrator, a description of efforts to be used to provide subcontracting opportunities, assurances regarding flow-down of pertinent clauses, assurances regarding reporting and studies, and a description of records that will be maintained.

Past performance with respect to small business subcontracting on federal contracts (if any) will be considered.

Higher goal percentages will be evaluated more favorably.

Proposals will be evaluated on their own merits, and will be rated accordingly. If you "do better than the competition," you would not necessarily "get all the points." It is possible, for instance, that all offerors might each receive the highest possible rating if they all have outstanding small business subcontracting plans. Proposals will not be compared to one another when assigning ratings.

The small business subcontracting evaluation factor has a certain weighting, and the "limit to the credit that is given" would be the weight assigned to for this factor.

173. Q: Section M.3.4.1 (Price Evaluation) states that total evaluated amount for proposal base year period (5 years) and option years will be used in determining Best Price. Please clarify what total evaluated amount consists of and what is meant by best price? In addition, Section M.3.4.1 states that proposed price will be evaluated for price realism and the results of the analysis may be used in performance risk assessments and responsibility determinations. Is proposed price and total estimated price the same number? Explain how the results may be used in performance risk assessments and responsibility determination? What criteria will be used in this evaluation?

A: The total evaluated amount is the cumulative total of all priced CLINs. The proposed price is the same as the total estimated price; however, see below for discussion of potential overrun and underrun estimates in the cost evaluation. With respect to cost realism, each cost proposal will be compared to the approach set forth

in the associated technical proposal to assess the realism of the costs proposed (i.e., can the offeror perform as described in the technical proposal within the constraints set by the cost proposal?). Unrealistically low offers, indicative of a potential buy-in, will be considered in determining the risk inherent in awarding the contract to such an offeror, as well as in the evaluation of the responsibility of that offeror.

174. Q: Section M.3.4.1 (d) (Total Estimated Price) states that total estimated price will be determined by adding up all line items with the exception of those CLINS in M.3.4.1 above. For line items with estimated quantities, Best Estimated Quantities (BEQ) will be used for the price calculation. If the amounts for CLINs 0001, 0003, 0006, 0009, 0012, 0015, 0018, 0021 are the Target Prices for each year then how will elements like Target Price Per Meal, Ceiling Price Per Meal and Share Ratio be evaluated given they are not a line item? Will the price evaluation factors be applied separately against each line item? Is the total evaluated price the same as the total estimated price? What will be the potential overrun and underrun scenarios used in the evaluation?

A: Our cost evaluation will include various hypothetical overrun and underrun situations (i.e., percentage variances in actual cost over or under target cost), to assess the impact of the share ratio and ceiling price per meal proposed on the chargeable price per meal in each situation. This assessment will be performed for each Fixed-Price Incentive CLIN, and added to the total amounts proposed for the Firm-Fixed Price and Time and Materials CLINs. As a result, the Government will generate several evaluated prices for each offeror, each based on the targets, share ratio and ceilings proposed as applied to the evaluated overrun and underrun scenarios.

175. Q: Information provided by the Marine Corps for industry studies of food service at Camp Pendleton three years ago, indicated direct labor, subsistence and mess contracts cost about \$48M on 7.3M meals annually, or \$6.58 per meal. About the same time, a study on Advanced Food Technology for the Navy indicated per meal cost for the Marines on the West Coast was approximately \$6.33 per meal. Current costs for food service at Quantico is approximately \$7.8M per year on 1.2M meals annually, or \$6.50 per meal (the value of the mess contract of \$5.6M plus \$2.2M for subsistence based on FY00 East Coast BDFA of \$5.467). Collectively, it appears per meal cost to the Marines is somewhere in the \$6.45 range. Contrasted with the Marine Corps estimate of \$3.74 per meal CONUS-wide, there is 40% plus difference. Please substantiate the economic basis for the significant variance or describe what circumstances are significantly different at Pendleton and Quantico to create the variance.

A: The meal costs as determined by some of the industry studies and, in particular, by the cited study conducted for the Navy, determined the TOTAL cost of providing food service. Those costs

included all food service military, regardless of their assignment, and estimated utility costs for each messhall. Food service Marines assigned to the FMF are required for deployment support. When not deployed, they are intentionally overstaffed at some messhalls. Consequently, when their labor costs are included, the cost per meal is artificially inflated. Likewise, utility costs are transparent since it is provided by the Government. Including the cost of utilities and FMF Marines may result in an accurate TOTAL cost per meal, but it is not reflective of a reimbursable cost per meal. Internal studies conducted by HQMC in late 1998 and early 1999 determined that four of Quantico's messhalls were experiencing unusually low meals per labor hour productivity. Low productivity contributes directly to higher costs per meal, and is one of the factors that support baselining performance through regionalization.

176. Q: The Marine Corps FY 2001 President's Budget Submission indicates a \$90M budget for the total CONUS Food Service. Using the projected meal counts provided in Schedule B of the RFP, the cost per meal is projected to be \$3.03 per meal. If all offerors submit bids compliant with the provided Statement of Work and the bids are priced above \$3.03 per meal, will the Marines move forward with the procurement?

If all offerors submit bids compliant with the provided Statement of Work and the bids are priced above current cost estimates of \$3.74 per meal, will the Marines move forward with the procurement?

A: As has been discussed repeatedly, the U. S. Marine Corps is required to trim its food service program expenses. Failure to achieve significant savings through these regional contracts will result in no contract being awarded, and dramatic changes in the food service program.

177. Q: Meal data included in Enclosure (3) in Amendment 0001 indicates that in Field, Box, Bag Meals there are 332,088 for the West Coast and 1,821,391 for the East Coast. Is there any way that the Marine Corps could estimate for both regions the number of box lunches included in these Meals Away?

A: The Marine Corps cannot, at this point, provide a better breakdown of these meals. In the past, at most bases and stations, especially those with no previous contracted food services, these meal counts were never separated from the overall meal counts. There was never a need to break them out separately. However, through this process the meal counts for bag/box meals are included in the overall totals within the Full Menu and Fast Food Meals" as currently annotated in TE2 of the RFP.

The Marine Corps understands that box/bag meals are more labor intensive than general meal preparation, with individual bag/box meal component preparation, wrapping, bagging, etc., which may have

prompted this question. We also understand that food costs associated with box/bag meals are generally lower than for general meals. Each offeror has an alternative in this regard. A contractor may choose to conduct a cost benefit analysis between actual on-site preparation of bag/box meals or commercial off-the-shelf prepared sandwich meals and/or shelf stable bag meals/kit items available through many of DSCP Prime Vendors.

178. Q: Since the DOL on May 18, 2000 issued MEMORANDUM NO. 193 changing the SCA H&W requirement from \$1.63 to \$1.92, will the Marine Corps be issuing an amendment updating the requirement for this procurement?

A: The revised wage determinations that incorporate the new Health and Welfare benefits will be added when they become available to us.

179. Q: Are we correct that the dollars we propose to spend for work that is not done under a mandatory JWOD set-aside would count against the prime contractor's minimum 30 percent small business subcontracting requirement?

A: No. Only subcontracts with small businesses will count towards achievement of the 30% small business subcontracting requirement. The purpose of the 30% small business subcontracting requirement is to protect small business interests by providing subcontracting opportunities for small business. The intent is to ensure an equitable amount of small business subcontracting, since JWOD subcontracted dollars will count heavily under the small business subcontracting goals.

All subcontracted dollars with JWOD agencies, whether through mandatory set-aside subcontracts or independently subcontracted, will be counted towards achievement of the small business **goals** set forth in the subcontracting plan. However, the small business subcontracting **requirement** is separate from the goals to be set forth in the plan, although closely related and integral to the plan. Please refer to the answer to Question 106 attached to Amendment 0001, which states in part that: "The 30% mandatory small business subcontracting requirement is not the same as the small business subcontracting goal...." Additionally, the answer to Question 125 attached to Amendment 0001 states that: "JWOD is not included in the 30% mandatory small business requirement; however, JWOD is included in the small business goal calculations and reporting under the small business subcontracting plan." Furthermore, paragraph C1.5.2 states, in part, that "An acceptable Small Business Subcontracting Plan will reflect that at least 30% of the total contract amount ... be subcontracted to small business concerns as defined by FAR 19.001 (i.e., a business entity organized for profit and qualified as small under the criteria and size standards set forth in FAR Subpart 19.1). This is not a goal, it is an absolute requirement; however, the 30%

small business subcontracting requirement shall be included in the calculation of the small business subcontracting goal in the overall small business subcontracting plan."

In summary, the small business subcontracting **requirement** is not the same as the small business subcontracting **goal**. Only subcontracts with small businesses count towards meeting the 30% small business subcontracting requirement. But all JWOD subcontracting does apply towards the small business subcontracting goal under the small business subcontracting plan.

180. Q: CLIN's 0001, 0002AA and 0002AB were amended and reduced by three months. Will the entire contract term including options be seven years and nine months? Or will the Marine Corps add CLIN's to make the term including options eight years? How will the term affect the cancellation ceilings in H.3?

A: The Marine Corps does not plan to add CLINs to account for the three-month reduction. Thus, as of this Amendment 0006, the contract term will be seven years and nine months (basic period of four years and nine months, plus three one-year options). The Program Years and cancellation ceilings cited in paragraph H.3 will continue to correspond to FY02 through FY05, the last four years of the multi-year portion of the contract, after the initial nine-month period. The dollar amounts and time periods stated remain unchanged.

181. Q: Section C5.18 TPR 9a. P5010 no longer provides numerical Sanitary Compliance Score (SCS). Scoring is based on critical and non-critical elements. Please clarify requirements for this section.

A: Please see text of this amendment for revision to cited Section C paragraph.

182. Q: Amendment 0004 provided a summary of effective CBA's and Wage Determinations. If cases where CBA's were deleted, i.e. Camp Pendleton and 29 Palms, and new Wage Determinations were published, the Wage Determination hourly rates are substantially less than those paid under the CBA's. It is unlikely that current employees were asked to accept reduced hourly pay rates, in some \$.70 per hour for Camp Pendleton and \$.98 per hour for 29 Palms.

Because of these large differences in pay rates, can the Marine Corps provide clarification as to what current rates are for these locations and others where a CBA is no longer valid and the wage determination minimums apply?

A: In those cases where a CBA is no longer in effect, and has not been replaced by a follow-on CBA, the wages and benefits set forth in the CBA remain valid. For pricing purposes, offerors should use the rates cited in those CBAs, and the Wage Determination for those classifications not covered by the CBA.

183. Q: Many of the bases have contracts in place for locally procured items, particularly beverages. Bread, milk and ice cream are also acquired at each base through DSCP. Will the regional prime contractor be responsible for these items? For items currently acquired through DSCP, will the regional contractor have to pick up those same DSCP contracts, or does the contractor have the option of acquiring bread, milk and ice cream through other means?

A: While the regional prime contractor will be responsible for providing subsistence items, including the above, use of DSCP contracts is not mandatory for locally procured items. The contractor may use DSCP or its own sources, whichever is deemed more advantageous. The contractor must have coverage in place to provide all subsistence items at all messhalls, as of the date the contractor begins providing service at each messhall under the phase-in plan. Additional information relative to such market-ready items was provided under Amendment 0001 to the solicitation.

184. Q: Will the contract be covered by the Cost Accounting Standards (CAS)? Will a CAS statement be required to be submitted prior to award? Will the statement be reviewed as part of the pre-award audit?

A: Due to its estimated dollar value, this contract will be subject to full CAS coverage. If the contract is awarded to a small business, as defined by FAR Part 19, the contract would not be subject to CAS. FAR 52.230-2, entitled Cost Accounting Standards and incorporated in Section I of the solicitation, will be in effect upon award of the contract, unless the contractor is exempt due to its small business status.

We are not requiring a Cost Accounting Standards Disclosure Statement to be submitted with the proposals. However, if offerors have CAS covered contracts, they may submit a Disclosure Statement with their proposal at their option to support their pricing proposal and provide information about their accounting system. If a pre-award survey is conducted, the CAS Disclosure Statement will be reviewed in conjunction with the review of the accounting system if the offeror already has CAS covered contracts. If the offeror does not have CAS covered contracts or is otherwise exempt from CAS, there will not be a requirement to provide a Disclosure Statement at that time. The successful offeror who is awarded the contract will be required to submit a Disclosure Statement within 60 days after contract award, unless exempt from CAS.

185. Q: Reference Technical Exhibit 1, Performance Requirements Summary (PRS). We believe the approach to compute the formula used for deduction purposes needs to be revised because target price-per-meal includes both food and service cost. The contractor has little or no control over food cost given Government sources will be the

primary provider. The PRS is service oriented and any deduction should correlate to our failure to provide a service. We recommend the approach for the formula be revised as follows: target minus food cost per meal times total number of meals served for the quarter. We believe this approach provides a fairer representation of the services that the contractor is actually providing. Request the approach for determining PRS deductions for random and planning sampling be revised.

A: Subsistence cost has been removed from the formula used for computing performance deductions. See Revised TE1 (Amendment 0008, Enclosure (1)).

186. Q: Reference Technical Exhibit 1, Performance Requirements Summary (PRS), Paragraph 12. Reinspection Fee states that in the event the Government must reinspect Contractor services, a reinspection fee, \$34.00 per hour, shall be assessed against the contractor. Per paragraph 11. Re-performance of Defective Work, given that the contractor shall not be required or entitled to re-perform, perform late, or otherwise correct defective work for the purpose of avoiding a defect for the day of evaluation and any applicable reduction in contract price, when will a Government reinspection be required and who makes that determination? How are the numbers of hours determined for a reinspection and the number of reinspections? How will the contractor pay the Government for any reinspection fee?

A: The Reinspection Fee paragraph has been deleted from the TE1 narrative. See Revised TE1 (Amendment 0008, Enclosure (1)).

187. Q: Will equipment maintenance be expected to commence on 1 October 2001, or will the start date be one year after contract award?

A: It remains a requirement that equipment maintenance will commence 1 October 2001.

188. Q: How will the current total cost of "approximately \$4.00" per meal be taken into account in evaluating offers? Will offers that include a ceiling price in excess of \$4.00 per meal be rejected? If not, how will such offers be evaluated? What range of variation from \$4.00 is implied by the word "approximately"?

Q: How will the "\$3.35 or less" amount be taken into account in evaluating offers? Will offers that include an annual target price (or actual price) greater than \$3.35 be rejected? If not, how will such offers be evaluated?

A: All offers, including those proposing ceiling prices above \$4.00 and target prices above \$3.35, will be evaluated. It is possible that offers above these two figures could be acceptable if: (1) the technical merits of the proposal reflect it to represent the

best value and worth the price proposed; and/or (2) higher prices are proposed for one or more years, but savings are projected over the total 8-year "life-cycle" of the contract. Proposals offering life-cycle pricing above the amounts presently budgeted by the Marine Corps, with escalation in the out years, will not be evaluated as favorably as those below that level. The significance of the word "approximately" is in the context of how much we are presently incurring rather than how much we are willing to pay; i.e., our present cost was computed to \$4.03, or approximately \$4.00 per meal.

189. Q: Is either the "approximately \$4.00" or the "\$3.35 or less" amount considered to be a "price offered by independent market sources" or an "Independent Government Cost Estimate" for purposes of the comparison described in Sec. M.3.4.1, para. (c)? If so, provide details.

A: \$4.00 represents our actual costs. \$3.35 is an internal Marine Corps figure based on anticipated costs and potential savings we desire to achieve.

We are concerned that the Ceiling Price Per Meal provision establishes a false or inappropriate comparison between the costs of contractor performance and costs of in-house Marine Corps performance. More specifically, we are concerned that: (i) the "approximately \$4.00" and "\$3.35 or less" amounts do not include all direct and indirect costs of in-house Government performance; and (ii) the Statement of Work ("SOW") includes performance obligations and costs for the contractor that are different from the in-house performance and costs of the Government. As one aspect of this, the Solicitation directs the contractor to use sources of certain supplies and services, but the rates for those supplies and services are left open to negotiation between the contractor and the directed source (virtually assuring that the contractor's costs will be higher than the in-house costs of the Marine Corps). All of this makes invalid the comparison of contractor costs to costs of in-house performance by the Marine Corps - which in turn raises concerns about Solicitation reasonableness and compliance with OMB Circular A-76, the Federal Activities Inventory Reform Act of 1998 ("FAIR Act") and 10 U.S.C. §2462(b). In this connection, please respond to the following [3] questions:

190. Q: Do the "approximately \$4.00" and "\$3.35 or less" amounts include - and, if not, will these amounts be modified to include - all of the Government's direct and indirect costs, including the following: project management, quality control, administration and overhead; mess hall management; and general and administrative costs?

A: This acquisition does not involve an A-76 study. The indirect costs listed above are not relevant to the project. The figures cited derive from our estimates of the level of effort required under these contracts.

191. Q: Will the Marine Corps modify the "approximately \$4.00" and "\$3.35 or less" amounts to include the contractor's costs associated with purchases of supplies and services from directed sources?

A: The Marine Corps does not intend to revise the figures cited. We realize that possible increases as a result of directed sources could impact cost proposals -- offerors should submit their best pricing proposals, considering advanced food technology to minimize the potential impact.

192. Q: Do you anticipate that cost/price proposals will be evaluated for reasonableness and realism by comparing contractor and Government costs for only those specific cost items mentioned in Q/A # 104?

A: The focus of the cost evaluation will be an assessment of whether the pricing proposal is a reasonable and realistic reflection of the technical proposal. The specific cost elements listed in Q/A #104 will not enter into the reasonableness/realism evaluation.

193. Q: The government is asking the offeror to submit pricing by labor categories in sufficient detail to determine that the price in its proposal is realistic for the work to be performed (i.e., demonstrate the requirements of Section C.5 are met). Therefore, providing direct labor pricing in only two labor categories, cooks and mess attendants, would not be sufficient. Rather, the categories need to be aligned with the C.5 requirements. For example, mess attendants would further be categorized into such positions as, salad preparation, salad bar service, beverage bar service, storeroom, custodial, etc. Is this interpretation correct?

A: Paragraph L.10.2 leaves discretion to each offeror to propose any and all labor categories required, not necessarily limited to cooks and mess attendants.

194. Q: Can you please clarify what is needed in Vol. One for Contract Administration data? Is this our Contract Administrator info or our DCAA information?

A: Per para L.9 of the solicitation, Contract Administration Data (Section G) and Representations, Certifications and Other Statements of Offerors (Section L) should be completed and provided in Volume I. For Section G, this refers to Paragraph G.1(b), the address of the Defense Contract Audit Agency office supporting your company.

195. Q: In Amendment 0004, Wage Determination No. 94-2058 for the San Diego and Camp Pendleton areas, identifies on page 6 of 8, that Health & Welfare requires an average employer contribution of \$2.56 per hour. It goes on to list life, accident, health insurance, sick

leave, pension plans, civic and personal leave, severance pay, and savings and thrift plans. No other WD that we have received is at this rate nor do they mention all of these benefits. Please clarify.

How will this be effected by the DOL notice of Health & Welfare going to \$1.92?

A: The fringe benefit rate of \$2.56 per hour is included in Wage Determination Numbers 94-2058 for San Diego County, California, 94-2334 for Mono County, CA (Bridgeport) and 94-2054 for San Bernardino County, CA (Twentynine Palms). This is a more comprehensive fringe benefit package than that which is included in other wage determinations, which, for the most part, only list "Health and Welfare". Questions about how these should be treated with respect to employee benefit or compensation plans should be directed to the Department of Labor. The revised Wage Determinations for June 2000 for San Diego County and San Bernardino County, CA have been published, and the \$2.56 fringe benefit rate has remained the same in this latest revision.

196. Q: *For Messhall 520430, the Dinner Meal total of 30,992 is apparently in error. It should read 309,992. The total meals of 678,156 uses 30,992 in calculating the total. This is a difference of 279,000 meals. Will this change the West Coast total in Enclosure (3) to Amendment 0001?*

A: Yes. The West Coast meal total is corrected to read 13,143,120, as depicted on the revised chart, incorporated in this Amendment 0006 as Enclosure (1). Section B is also being revised by this Amendment to reflect new meal total.

197. For the West Coast, Section J, Attachments VI, Enclosures (2) Wage Determinations and (3) Collective Bargaining Agreements:

a. VI-2, Wage Determination for Camp Pendleton, MCAS Miramar and MCRD San Diego. It has been brought to our attention by NISH West, that the Health & Welfare contribution of \$ 2.56 was established as a "grandfather" clause from an A-76 program effecting Civil Service employees and would not apply to new facilities. This would include the two messhalls at MCRD San Diego (569 and 620) and, perhaps, Messhall 31611 at Camp Pendleton. The H&W of \$ 2.02 would apply. Please clarify.

A: The lower Health & Welfare (H&W) rate applies to the facilities at Marine Corps Recruit Depot (MCRD) San Diego. We have determined that Service Contract Act Area Wage Determination (SCAAWD) Number 1994-2057, that contains the lower H&W rate, is the correct wage determination for the messhalls (Buildings 569 and 620) at MCRD San Diego.

Please refer to Amendment 0008, Enclosure (3) of the solicitation for a more detailed explanation of the relationship between CBAs and SCA Area Wage Determinations for establishing contract labor rates.

b. VII-2, CBA for all Camp Pendleton except 520430. Does this CBA apply for Messhall 31611 (Edson Range)? Are there currently civilian employees at this messhall? Please clarify.

A: SCAAWD Number 1994-2057 does not apply to Building 31611 at Camp Pendleton, nor to Building 24100, because these messhalls are covered by the Collective Bargaining Agreement (CBA) at Camp Pendleton, and the CBA takes precedence over the SCAAWD. As a result, the H&W rate cited in the CBA is to be used for all the buildings at this location. There are currently no civilian personnel at Messhall 34611. Military personnel staff this building.

198. The language "delay in the commencement of performance" could mean that the bidders' actual costs of performance (e.g. food cost, operational cost, capital cost) could be different (lower or higher) than those reflected in the first FPR. Is this a correct interpretation of your January 24th letter?

A: We would anticipate that the projected costs of performance will change from that proposed in the first Final Proposal Revisions. However, the basis for the changes must be clearly delineated and adequately substantiated. Any changes must be solely attributable to the delay rather than to changes in an offeror's technical approach, management philosophy or assumptions.

199. Is use of the rates set forth in the current Wage Determinations (WDs) and Collective Bargaining Agreements (CBAs) mandatory, or may an offeror submit pricing based on the WDs and CBAs in effect for its earlier submission?

A: Offerors' second FPR pricing should be revised to reflect the current WD and CBA rates.

200. If an offeror uses rates lower than those cited in the existing WDs and CBAs, how would the USMC react in evaluation?

A: We would not reject such a proposal, or adjust the rates upward for evaluation purposes, but as with any pricing figures considered unrealistically low we would assess the impact in the context of performance risk and/or responsibility.

201. May offerors propose rates higher than those contained in current WDs and CBAs, if considered necessary to attract and retain qualified personnel?

A: Yes, the WD and CBA rates are minimums only.

202. May an offeror revise its target profit or share ratio, from those set forth in its first FPR?

A: No, such a revision would be a change in pricing not attributable to the delay in the period of performance.

203. May an offeror lower its indirect rates below those proposed in its first FPR, and cap those rates?

A: Direct or indirect rates may be increased or decreased, if the revisions are supported by changed conditions (e.g., expansion in new business, change in accounting procedures) rather than a new competitive approach. For an offeror to incorporate a rate cap for the first time in its second FPR, and link that cap to an unrealistically low rate, would be considered in our risk and/or responsibility assessments.

204. The Contract Line Item Numbers (CLINs) cited in paragraph M.3.4.1 do not match those cited in Section B.

A: The CLINs listed in paragraph M.3.4.1, which include "AF" subCLINs, are in error. They should include "AC" subCLINs only. The correction can be found in enclosure (2) to Amendment 0016.

205. Please provide a definition of "direct rates" as used in response to question 6 for the East Coast and question 7 for the West Coast.

A: Direct rates are hourly pay rates for individuals or labor categories.

206. Please provide a definition of "indirect rates" as used in response to question 6 for the East Coast and question 7 for the West Coast.

A: Indirect rates are those percentages or multipliers associated with indirect costs. These may be applied to either direct labor (e.g., labor overhead, worker's compensation, FICA), supplies (e.g., material burden), or cost subtotals (e.g., general and administrative expense).

207. The Marine Corps suggests in response to question 3 for the East Coast and question 4 for the West Coast that an offeror may propose rates that are lower than the rates in the existing WDs and CBAs. If this is true, how does the Marine Corps plan on verifying whether the offerors' Second FPRs are compliant with the applicable WDs and CBAs?

A: Our responses to the questions cited above should be read in conjunction with those immediately preceding, in which we stated, "Offerors' second FPR pricing should be escalated to reflect the current WD and CBA rates." Our intent in these responses was to state that the rates set forth in Collective Bargaining Agreements (CBAs) and Department of Labor Area Wage Determinations represent minimums, and compliance with such rates will be mandatory under the resultant contracts. Labor rates proposed below those levels will not only be considered unrealistically low, but would also preclude contract award to that offeror based on that proposal. To clarify our responses in Amendment 0016, the USMC cannot accept an offer that proposes rates below those mandated by applicable Area Wage Determinations and CBAs under the Service Contract Act; this would constitute a proposal deficiency that would render a proposal unacceptable.

208. Please clarify what types of changed conditions are considered "attributable to the delay" in performance as discussed in response to question 1 for the East Coast and question 2 for the West Coast.

A: The question reflects some confusion involving several questions and answers provided in Amendment 0016. Changed conditions were mentioned in Answer 6 for the East Coast and Question 7 for the West Coast in the context of revised direct and indirect rates (see Answers 1 and 2 above). That is, should changed conditions result in a change in an offeror's rates, updated rates should be incorporated in that offeror's Second FPR. The words "attributable to the delay" in Questions 1 and 2 relate to the revised cost of providing the required supplies and services, using the same approaches as described in the offeror's initial proposal and First FPR. It is anticipated that the new period of performance will result in changes in pricing for labor and subsistence, but that revised pricing must be based on the same labor and subsistence as proposed in the First FPR. Unless a specific exception was made in discussions with an offeror, revisions in the levels or types of proposed labor or subsistence, based on new technical approaches, should not be introduced in offerors' Second FPRs.

209. May an offeror correct an arithmetic error from our First FPR?

A: Yes. Offerors should explain the basis for such a change in their Second FPRs.

ATTACHMENT XIII

**SMALL BUSINESS SUBCONTRACTING
PLAN**

1.0 Small Business Subcontracting Plan (L.11.2.2)

Date: March 18, 2002

Contractor: Sodexho Management, Inc.

Address: 9801 Washingtonian Boulevard; Gaithersburg, MD

Solicitation Number: M00027-00-R-0002

Contract Number: TBD

The following, together with any attachments, is hereby submitted as our Subcontracting Plan to satisfy the applicable requirements of Public Law 95-507 as implemented by OPFF Policy Letter 80-2.

Sodexho Management, Inc. (Sodexho) is committed to providing Small Business, Small Disadvantaged Business, Women-Owned Small Business, and HUBZone Small Business

(SB/SDB/WOSB/HUBZone) every possible opportunity to compete for planned procurement requirements within their capabilities. Our plan, which follows, provides us the mechanism to achieve our goals and the appropriate documentation to demonstrate program compliance.

As we encourage participation by these groups, not only will we provide the subcontracting opportunities, we will also ensure that payments to our subcontractors are timely in accordance with the payment terms of the subcontracts. The terms will be structured so as not to place unreasonable burden on the subcontractor.

1.1 Extent of Participation with SB/SDB/WOSB/HUBZone Businesses

Sodexho has formulated realistic and challenging goals for our SB/SDB/WOSB/HUBZone participation plan. We have already formed agreements with Superior Services, Inc. and NANA Services, LLC to perform work under this participation plan.

(a) The following percentage goals (expressed in terms of a percentage of total subcontract and purchasing dollars) are applicable to the contract awarded under the solicitation cited.

(i) Small Businesses: 45.0% of total planned subcontract and purchasing dollars under this contract will go to subcontractors who are small businesses.

- (ii) Small Disadvantaged Businesses: 7.1% of total planned subcontract and purchasing dollars under this contract will go to subcontractors who are small business concerns owned and controlled by socially and economically disadvantaged individuals. This percentage is included in the percentage shown under 1.1(a)(i) above, as a subset.
- (iii) Women-Owned Small Businesses: 8.1% of total planned subcontract and purchasing dollars under this contract will go to subcontractors who are small businesses owned and controlled by women. This percentage is included in the percentage shown under 1.1(a)(i) above, as a subset.
- (iv) HUBZone Small Businesses: 2.4% of total planned subcontract and purchasing dollars under this contract will go to subcontractors who are HUBZone small business companies. This percentage is included in the percentage shown under 1.1(a)(i) above as a subset.
- (v) JWOD-directed: 27.4% of total planned subcontract and purchasing dollars under this contract will go to JWOD subcontractors. This percentage is included in the percentage shown under 1.1(a)(i) above as a subset.

The following subcontract and purchasing dollar values are provided for all years.

- (b) The total estimated dollar value of all subcontract dollars (to all types of businesses) under this contract is \$279,654,396.
- (c) The following dollar values correspond to the percentage goals shown in (a) above.
 - (i) Total contract dollars to be subcontracted to small businesses is \$125,925,921.
 - (ii) Total contract dollars to be subcontracted to small disadvantaged businesses is \$19,863,933. This dollar amount is included in the amount shown under 1.1(c)(i) above as a subset.
 - (iii) Total contract dollars to be subcontracted to women-owned small businesses is \$22,694,368. This dollar amount is included in the amount shown under 1.1(c)(i) above as a subset.

- (iv) Total contract dollars to be subcontracted to HUBZone small businesses is \$6,847,124. This dollar amount is included in the amount shown under 1.1(c)(i) above as a subset.
- (v) Total contract dollars to be subcontracted to JWOD-directed concerns is \$76,520,495. This dollar amount is included in the amount shown under 1.1(c)(i) above as a subset.

Acting in good faith, Sodexho will rely on written representations by our SB/SDB/WOSB/HUBZone subcontractors unless we have reason to believe otherwise, in which case we will take necessary steps to ascertain size status and/or ownership status. Superior Services, Inc. is a Qualified HUBZone small business concern. Their certification letter is included for your review.

Figure 1.1-1 represents the completed calculation of the mandatory 30% small business requirement from Section C1.5.2 of the RFP. **Figure 1.1-2** shows that Sodexho's subcontracting plan is compliant with the mandatory 30% for profit small business requirement.

1.2 Principle Supplies/Services Subcontracted to SB/SDB/WOSB/HUBZone Businesses

Sodexho has carefully selected a variety of areas to be subcontracted to small businesses, ranging in complexity to allow small businesses of varying types the opportunity to compete and deliver.

- (d) The principal products and/or services to be subcontracted under this contract, and the distribution among SB/SDB/WOSB/HUBZone businesses are displayed in **Figure 1.2-1**.
- (e) The following method was used in developing subcontract goals.

Our subcontracting goals represent insight and judgment based on Sodexho's 70 years of food service experience combined with extensive research in the West Coast region. Subcontracting opportunities identified by Sodexho are continuously assessed for SB/SDB/WOSB/HUBZone participation. Our corporate policy is to actively work to first place requirements with SB/SDB/WOSB/HUBZone businesses to the maximum extent possible. In keeping with

this standard practice, Sodexho first considered the amount of work to be performed in executing the USMC West Coast Region Contract. Second, we considered the opportunities to subcontract additional work with local SB/SDB/WOSB/HUBZone businesses. To provide cost-effective services, Sodexho balances services that are self-performed with those that can be efficiently subcontracted, as determined through a make-buy analysis. Whenever the choice is to go outside, we focus on local firms, then widen our source list as needed, continuing to seek SB/SDB/WOSB/HUBZone businesses whenever practicable. Previous make-buy analyses on similar contracts and programs have yielded the typical subcontracted supplies/services previously identified in Figure 1.2-1. Also based on previous experience, we determined that the majority of the items and services on our list for subcontracting can be provided effectively and economically by SB/SDB/WOSB/HUBZone businesses. A local survey confirmed that there are numerous SBs, as well as some SDBs and WOSBs, who provide the supplies and services Sodexho plans to subcontract. Figure 1.2-1 reflects the results of this survey.

Our efforts to identify new potential sources for the supplies and services we intend to purchase included the following:

- ❖ Advertising for subcontractors in the local papers
- ❖ Announcing SB/SDB/WOSB/HUBZone subcontract opportunities on Sodexho Procurements/Subcontracts Home Page
- ❖ Hosting an Open House attended by subcontractors
- ❖ Reviewing sources accessed through the Small Business Administration's Procurement Automated Source System (PASS)
- ❖ Reviewing Sodexho's pre-qualified listing of sources in the West Coast

Upon thorough review of potential subcontractors or suppliers identified through our extensive research effort, Sodexho developed a listing of firms in the four small business categories who will be contacted to compete for the supplies and services we plan to subcontract. As part of our continuing effort to identify capable SB/SDB/WOSB/HUBZone subcontractors for supplies and services, we are continuing our discussions with local vendors.

(f) Indirect and overhead costs (check below):

_____ Have been included in the goals specified in 1.1(a), 1.1(b) and 1.1(c).

_____ Have not been included in the goals specified in 1.1(a), 1.1(b) and 1.1(c).

(g) If "Have been" is checked, explain the method used in determining the proportionate share of indirect and overhead cost to be allocated as subcontracts to SB/SDB/WOSB/HUBZone businesses.

N/A

1.3 Extent of Commitment to use SB/SDB/WOSB/HUBZone Businesses

Sodexo has been, and will continue to be, committed to the utilization of SB/SDB/WOSB/HUBZone businesses. We have developed aggressive goals for SB/SDB/WOSB/HUBZone subcontracting as discussed in 1.1(a), and we intend to meet and exceed our goals. Our procurement and subcontracting procedures require our Contract Administrator and Purchasing Specialists to openly advertise for requested services and to maintain a list of pre-qualified vendors and subcontractors. Since the majority of the items and services can be provided by SB/SDB/WOSB/HUBZone firms, we will initially allocate and set aside all requirements for purchasing and subcontracting services for one of the four categories. While meeting our goals, we will effectively and efficiently subcontract to qualified SB/SDB/WOSB/HUBZone subcontractors, holding them to the high standards the USMC expects from Sodexo.

2.0 Subcontracting Program Administration

The following individual will administer Sodexo's subcontracting program for this contract:

This individual's specific duties, as they relate to Sodexo's subcontracting program, are as follows:

General overall responsibility for the program, the development, preparation and execution of individual subcontracting plans, and for monitoring performance relative to contractual subcontracting requirements contained in this plan, including, but not limited to:

- (a) Developing and maintaining bidders lists of SB/SDB/WOSB/HUBZone businesses from all possible sources.
- (b) Ensuring that procurement packages are structured to permit SB/SDB/WOSB/HUBZone businesses to participate to the maximum extent possible.
- (c) Assuring inclusion of SB/SDB/WOSB/HUBZone businesses in all solicitations for products or services which they are capable of providing.
- (d) Reviewing solicitations to remove statements, clauses, etc., which may tend to restrict or prohibit SB, SDB, WOSB, or HUBZone participation.
- (e) Ensuring periodic rotation of potential subcontractors on bidders lists.
- (f) Ensuring that the bid proposal review board documents its reasons for not selecting low bids submitted by SB, SDB, WOSB, or HUBZone businesses.
- (g) Ensuring the establishment and maintenance of records of solicitations and subcontract award activity.
- (h) Attending or arranging for attendance of company counselors at Business Opportunity Workshops, Minority Business Enterprise Seminars, Trade Fairs, etc.
- (i) Conducting or arranging for conduct of motivational training for purchasing personnel pursuant to the intent of Policy Letter 95-507.
- (j) Monitoring attainment of proposed goals.
- (k) Preparing and submitting required periodic subcontracting reports.
- (l) Coordinating Sodexho's activities during the conduct of compliance reviews by Federal agencies.
- (m) Coordinating the conduct of Sodexho's activities involving its SB/SDB/WOSB/HUBZone Subcontracting Program.

Sodexho's Program Administrator has responsibility for assuring set-asides for SB/SDB/WOSB/HUBZone businesses are used on the contract, providing administrative oversight of local/regional announcements advertising subcontract opportunities, and coordinating with Sodexho's corporate office to maintain the pre-qualified subcontractors database and advertise subcontract opportunities on Sodexho's Web site Procurements/Subcontracts Home Page.

3.0 Outreach

Sodexho is committed to the success of this program. We will make the following specific efforts to ensure SB/SDB/WOSB/HUBZone small businesses will have an equitable opportunity to compete for subcontracts:

(a) Outreach efforts will be made as follows:

(i) Contacts with minority and small business trade associations:

- ❖ Minority Trade Associations/Unions
- ❖ Small Business Development Council(s) (SBDC)
- ❖ Advertisements in local newspapers announcing requests for bid for the specific type of work requested and including a preference for SB/SDB/WOSB/HUBZone firms
- ❖ Electronic advertisements for SB procurement subcontracting opportunities on the Sodexho Web-site Procurement Home Page and on various local/regional SB electronic bulletin boards.

(ii) Contacts with business development organizations:

- ❖ Local area Chambers of Commerce
- ❖ Government Agency Coordination Offices (GACO)
- ❖ Electronic Commerce Resource Centers (ECRC)
- ❖ Small Business Administration (SBA)
- ❖ GSA Marketing Representatives
- ❖ DoD Deputies for Small Business
- ❖ Small Business Specialists (SBS) Ñ (Replacement for SADBUs)

(iii) Attendance at small and minority business procurement conferences and trade fairs:

(iv) Sources will be requested from SBA's PASS system. Other automated systems to be used include:

- ❖ Internet Databases
- ❖ Thomas Register
- ❖ The Big Yellow

- ❖ PRO-Net (SBA Database)
- ❖ SCORE (Senior Corps of Retired Executives)
- ❖ Sodexho Database of Pre-Qualified Subcontractors and Suppliers.

(b) The following internal efforts will be made to guide and encourage buyers:

- (i) Workshops, seminars and training programs will be conducted.
- (ii) Activities will be monitored to evaluate compliance with this subcontracting plan.

(c) SB/SDB/WOSB/HUBZone business source lists, guides and other data identifying SB/SDB/WOSB/HUBZone businesses will be maintained and utilized by Sodexho buyers in soliciting subcontracts.

4.0 Use of Small Business Clauses

Sodexho agrees that the clause entitled "Utilization of Small, Small Disadvantaged, Women-Owned Small Business, and HUBZone Businesses" will be included in all subcontracts which offer further subcontracting opportunities, and all subcontractors, except small businesses who receive subcontracts in excess of \$500,000, will be required to adopt and comply with a subcontracting plan similar to this one. Such plans will be reviewed by comparing them with the provisions of Public Law 95-507, and assuring that all minimum requirements of an acceptable subcontracting plan have been satisfied. The acceptability of percentage goals shall be determined on a case-by-case basis depending on the supplies/services involved, the availability of potential SB/SDB/WOSB/HUBZone subcontractors, and prior experience. Once approved and implemented, plans will be monitored through the submission of periodic reports, and/or, as time and availability of funds permit, periodic visits to the subcontractors' facilities to review applicable records and subcontracting program progress.

5.0 Studies/Surveys and Reports

Sodexho agrees that we will (i) cooperate in any studies or surveys as may be required, (ii) submit periodic reports in order to allow the Government to determine the extent of compliance by the offeror with the subcontracting plan, and (iii) submit Standard Form (SF) 294, Subcontracting Report for Individual Contracts, and (SF) 295, Summary Subcontract Report, in accordance with the instructions on the forms.

6.0 Records

Sodexho will maintain the following types of records to insure demonstration of procedures adopted to comply with the requirements and goals in the plan, including establishing source lists, and a description of offeror's efforts to locate SB/SDB/WOSB/HUBZone small businesses and to award subcontracts to them:

- (a) All contracts with qualified firms, by qualifying segment, and the volume represented.
- (b) Source lists of qualified businesses, and dated list review and modification record.
- (c) Record of inquiry and discussion with qualified program plan SB/SDB/WOSB/HUBZone small businesses.
- (d) All subcontract bids with data regarding award, qualifying status, and award justification summary.
- (e) Record of Outreach efforts by the Program Administrator and other key management personnel.
- (f) Record of inquiry and discussion with qualified 8(a) and ANC 8(a) concerns.

ATTACHMENT XIV

QUARTERLY MEAL RECONCILIATION GUIDANCE

In order to view the document(s) cited above in electronic format follow the instructions below to access the documents on the Headquarters, Marine Corps website. You will also need to have Acrobat Reader software on your machine in order to open the files on the website.

Click on the site below. When you reach the screen that says "Welcome to Management and Oversight Branch" click on "Other Documents" Tab located above those words. If the Tab bar is not immediately visible on the screen place the pointer above the "Welcome" and hold down the left mouse button and drag it downward. This should bring up the tab bar. Once you see the tab bar double click the "Other Documents" tab. This should bring up the list of hyperlinked documents. Select "Attachment XIV-QTRLY MLS RECON-WC-Links". This will bring up the icons for each document.

<http://www.hqmc.usmc.mil/LBWeb.nsf/MainB?OpenFrameset>

..\Linked documents\AT XIV Qtrly Recon-EC-WC.pdf

MEAL RECONCILIATION - EXAMPLE

Using estimate of 13,000,000 meals/year = 500,000 meals estimated bi-weekly
Target Price per Meal of \$3.25 for purposes of this example

Bi-Weekly Payment	Estimated Meals	Actual Meals	TP/M	Provisional Payment	Meals Over/Under	Credit/ Debit
1	500,000	480,000	\$3.25	\$1,625,000		
2	500,000	470,000	3.25	1,625,000		
3	500,000	480,000	3.25	1,625,000		
4	500,000	490,000	3.25	1,625,000		
5	500,000	500,000	3.25	1,625,000		
6	500,000	490,000	3.25	1,625,000		
First quarter	3,000,000	2,910,000			(90,000)	(\$292,500)
7	500,000	510,000	3.25	1,332,500		
8	500,000	530,000	3.25	1,625,000		
9	500,000	500,000	3.25	1,625,000		
10	500,000	520,000	3.25	1,625,000		
11	500,000	510,000	3.25	1,625,000		
12	500,000	510,000	3.25	1,625,000		
13	500,000	530,000	3.25	1,625,000		
Second quarter	3,500,000	3,610,000			110,000	\$357,500
14	500,000	490,000	3.25	1,982,500		
15	500,000	520,000	3.25	1,625,000		
16	500,000	500,000	3.25	1,625,000		
17	500,000	480,000	3.25	1,625,000		
18	500,000	490,000	3.25	1,625,000		
19	500,000	520,000	3.25	1,625,000		
Third quarter	3,000,000	3,000,000			0	\$0
20	500,000	540,000	3.25	1,625,000		
21	500,000	520,000	3.25	1,625,000		
22	500,000	500,000	3.25	1,625,000		
23	500,000	490,000	3.25	1,625,000		
24	500,000	480,000	3.25	1,625,000		
25	500,000	490,000	3.25	1,625,000		
26	500,000	510,000	3.25	1,625,000		
Fourth quarter	3,500,000	3,530,000				
TOTALS	13,000,000	13,050,000		\$42,315,000		

As soon as the meal overage/underage for each quarter is computed, the next available bi-weekly payment in the following quarter will be adjusted by the meal overage/underage. In this example, adjustments are made in Payments 7 and 14, based on the credit/debit calculation from the previous quarter. No adjustment is necessary for the third quarter, since the quantity of meals served equals the estimate. An adjustment is never performed for the fourth quarter, as the credit or debit would be applied to the next contract year and not to the year to which it pertains. The fourth quarter adjustment will effectively be subsumed by the annual cost and fee calculation performed in the first quarter of the following contract year.

To complete the exercise, based on the example on the preceding page and the hypothetical situation below, a final payment could be computed as follows:

If the following were proposed:

Share Ratio = 70/30

Ceiling Price Per Meal = \$3.50

Target Cost Per Meal = \$2.95

Target Profit Per Meal = \$0.30

Thus, Target Price Per Meal = \$3.25

And if:

Actual number of meals = 13,050,000 (from preceding page)

Actual Cost Per Meal = \$3.10

Results in a \$0.15 overrun (\$3.10 - \$2.95)

Contractor's share = \$0.03 (\$0.15 x 30% from share ratio)

Final Profit Per Meal = \$0.27 (\$0.30 - \$0.03)

Final Price Per Meal = \$3.37 (\$3.10 + \$0.27)

Total Final Cost = \$43,978,500 (13,050,000 x \$3.37)

Total Cost Incurred for Year	\$43,978,500
Plus Subcontracting Performance	----- (based on exceeding goals)
Less Performance Deductions	----- (cannot be recouped)
Less Amount Already Paid	<u>42,315,000</u>
Amount Due	\$ 1,663,500