



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

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December 3, 2018

Transmitted Electronically

Jean Jones
Acting Director, Government and Business Contracts
The Regents of the University of California at San Francisco
Office of Sponsored Research
3333 California Street, Suite 315
San Francisco, CA 94118

Subject: Contract No. HHSN272201400002C
Notification of Intent to Invoke FAR Clause 52.237-3, Continuity of Services (January 1991)

Dear Ms. Jones:

This is to inform you of the Government's intent to invoke FAR Clause 52.237-3, Continuity of Services (January 1991), as contained under Article I.3., Additional Contract Clauses, paragraph a., item 13., in order to continue vital services under the contract without interruption, for a period not to exceed 90 calendar days, effective December 5, 2018 and ending not later than March 5, 2019.

During the 90-day period, the Contractor must adhere to the following specific guidelines:

- Finish on-going studies, as planned, and submit reports, as stated in the SOW;
- The monthly contract updates and teleconferences will continue; however, it is anticipated that more frequent communication may be necessary during the 90-day period;
- Maintain the current mouse cohorts (engrafted or not), but do not produce new cohorts, unless instructed otherwise by the COR. If mice need to be euthanized, please make a decision, in agreement with the UCSF IACUC, and inform NIH by sending an updated cohort table. Further, in the event of a transition, the Contractor may be required to ship the mouse cohorts to the Government (or the Government's designee), as instructed by the COR;
- Do not obtain or engraft new fetal tissue, unless instructed otherwise by the COR;
- Do not start any new in vitro or humanized mouse studies that are not already planned and have been discussed, until instructed otherwise by the COR;
- Maintain the Government-furnished equipment. In the event of a transition, the Contractor may be required to ship the equipment to the Government (or the Government's designee), as instructed by the CO;
- Maintain the virus stocks and other reagents, at the appropriate temperatures. In the event of a transition, the Contractor may be required to ship the virus stocks and reagents to the Government (or the Government's designee) or destroy them, as instructed by the COR;
- Maintain a safe worksite, in accordance with applicable laws and regulations; and
- Continue with monthly invoicing as usual.

If any of these guidelines are unclear or if additional guidance is needed, please contact the COR, Brigitte Sanders, and/or the Contracting Officer, John Manouelian, immediately.

In order to fund the work associated with the 90-day period, the Government will be incorporating a new option (Option 7), in the total amount of \$521,082, which represents three months of anticipated costs for continuity of services. The Government arrived at this estimate, by dividing the total negotiated amount of Option 5/Year 6 (\$2,084,326) by 12 months (which equals \$173,694) and multiplying that amount by 3 months (which equals \$521,082). This notification to exercise Option 7 is being provided pursuant to ARTICLE H.13., Option Provision and Article I.4., Additional FAR Contract Clauses Included in Full Text, paragraph a., item 2., FAR 52.217-9, Option to Extend the Term of the Contract (March 2000), subitem a., which states the following:

“The Government may extend the term of this contract by written notice to the Contractor within 60 days before or after the effective date of the Option Period specified in ARTICLE B.2., ESTIMATED COST – OPTION, paragraph c., provided that the Government gives the Contractor a preliminary notice of its intent to extend at least 60 days before the Contract expires. **The preliminary notice does not commit the Government to an extension.**”

This preliminary notice is one of intent. Should this notice culminate in the exercise of Option 7, the Contracting Officer will issue a formal contract modification by December 6, 2018.

As you are aware, at this time, we have been requested by NIH to hold off on the exercise/funding of Option 5/Year 6, which is why we are invoking FAR Clause 52.237-3, Continuity of Services (January 1991). Should Option 5/Year 6 be exercised/funded by a subsequent modification, the 90-day period associated with this action (Option 7) will terminate immediately upon the effective date of Option 5. However, should Option 5 not be exercised/funded, the Contractor will be required to effect an orderly and efficient transition of all activities, data, mouse cohorts, materials, and equipment, back to the Government (or the Government’s designee), as instructed by the Government, by the end of the 90-day period (March 5, 2018). Again, please refer to the bullet-points above, regarding the guidelines that the Contractor must adhere to during the 90-day period associated with Option 7.

Our goal is to send you proposed Modification 8 for signature by December 4, 2018, and we will need a signed copy back as soon as possible, but not later than December 5, 2018. The modification must be executed by December 6, 2018.

If you have any questions regarding this notification, please do not hesitate to contact the undersigned via telephone at 240-669-5152 or via email at manouelj@nih.gov.

Sincerely,

John Manouelian
Team Lead/Contracting Officer
AIDS Research Contracts Branch
Office of Acquisitions/DEA/NIAID/NIH/DHHS

cc: Brigitte Sanders, Contracting Officers Representative (COR)